**Company Registration No. 200407031R**

# ARTIVISION TECHNOLOGIES LTD.

## UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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**1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

| | 3 Months | | | 12 Months | | |
|---|---|---|---|---|---|---|
| | 1 Jan 2015 to 31 Mar 2015 | 1 Jan 2014 to 31 Mar 2014 | +/- | 1 Apr 2014 to 31 Mar 2015 | 1 Apr 2013 to 31 Mar 2014 | +/- |
| | (Unaudited) | (Unaudited) | | (Unaudited) | (Audited) | |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| Revenue | 2,015 | 1,572 | 28 | 8,048 | 2,011 | 300 |
| Cost of sales | (1,307) | (935) | 40 | (5,028) | (1,226) | 310 |
| **Gross profit** | 708 | 637 | 11 | 3,020 | 785 | 285 |
| **Gross profit - %** | 35% | 41% | | 38% | 39% | |
| Other losses/expenses - net | (1,887) | (829) | 128 | (1,721) | (817) | 111 |
| Distribution expenses | (342) | (133) | 157 | (1,007) | (659) | 53 |
| Administrative expenses | (1,167) | (883) | 32 | (4,022) | (2,963) | 36 |
| Other operating expenses (including research and development expense) | (523) | (402) | 30 | (1,721) | (1,749) | (2) |
| Share of loss of a joint venture | (149) | (10) | 1,390 | (149) | (381) | (61) |
| Loss before income tax | (3,360) | (1,620) | 107 | (5,600) | (5,784) | (3) |
| Income tax expense | - | (8) | (100) | - | (23) | (100) |
| **Net loss for the period/year** | (3,360) | (1,628) | 106 | (5,600) | (5,807) | (4) |
| **Other comprehensive loss:** | | | | | | |
| Item that may be reclassified subsequently to profit or loss: | | | | | | |
| Currency translation differences arising from consolidation – Gains/(Losses) | 43 | (9) | N.M. | 88 | 30 | 193 |
| **Total comprehensive loss** | (3,317) | (1,637) | 103 | (5,512) | (5,777) | (5) |

*N.M. – not meaningful*

**1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)**

(i) Loss for the period/year is arrived at after (charging)/crediting the following:

| | 3 Months | | | 12 Months | | |
|---|---|---|---|---|---|---|
| | 1 Jan 2015 to 31 Mar 2015 | 1 Jan 2014 to 31 Mar 2014 | +/- | 1 Apr 2014 to 31 Mar 2015 | 1 Apr 2013 to 31 Mar 2014 | +/- |
| | (Unaudited) | (Unaudited) | | (Unaudited) | (Audited) | |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| Depreciation of property, plant and equipment | (156) | (119) | 31 | (556) | (213) | 161 |
| Amortisation of intangible assets | (72) | (62) | 16 | (261) | (90) | 190 |
| Allowance for inventories obsolescence | - | (3) | (100) | - | (9) | (100) |
| Gain on disposal of property, plant and equipment | - | 2 | (100) | - | 2 | (100) |
| Property, plant and equipment written off | (-*) | - | 100 | (-*) | (1) | N.M. |
| Other losses/expenses – net | | | | | | |
| Interest income from bank deposits | 2 | - | 100 | 15 | 7 | 114 |
| Foreign exchange gains - net | 157 | 2 | 7,750 | 285 | 6 | 4,650 |
| Loss on share exchange (available-for-sale financial asset) | (2,056) | - | 100 | (2,056) | - | 100 |
| Impairment loss on non-trade debts to a joint venture | (6) | (837) | (99) | (6) | (837) | (99) |
| Other operating income | 16 | 6 | 167 | 41 | 7 | 486 |
| | (1,887) | (829) | 128 | (1,721) | (817) | 111 |

*N.M. – not meaningful*
** - Amount less than S$1,000*

**1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015**

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Mar 2015 (Unaudited) S$'000 | 31 Mar 2014 (Audited) S$'000 | 31 Mar 2015 (Unaudited) S$'000 | 31 Mar 2014 (Audited) S$'000 |
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | 1,945 | 2,931 | 1,268 | 2,378 |
| Available-for-sale financial asset | 613 | - | 613 | - |
| Trade and other receivables | 874 | 987 | 4,226 | 9,186 |
| Other current assets | 734 | 352 | 105 | 103 |
| Inventories | 447 | 294 | 11 | 11 |
| | **4,613** | **4,564** | **6,223** | **11,678** |
| **Non-current assets** | | | | |
| Other receivables | - | - | - | - |
| Available-for-sale financial asset | -* | 2,670 | -* | 2,670 |
| Investments in subsidiaries | - | - | 1,316 | 1,316 |
| Investment in a joint venture | - | - | - | - |
| Property, plant and equipment | 3,995 | 3,054 | 28 | 55 |
| Intangible assets | 927 | 1,150 | - | - |
| | **4,922** | **6,874** | **1,344** | **4,041** |
| **Total assets** | **9,535** | **11,438** | **7,567** | **15,719** |
| **LIABILITIES** | | | | |
| **Current liability** | | | | |
| Trade payables and other liabilities | 1,119 | 2,707 | 367 | 2,333 |
| **Non-current liability** | | | | |
| Loans from shareholder | 2,750 | 2,750 | 2,750 | 2,750 |
| **Total liabilities** | **3,869** | **5,457** | **3,117** | **5,083** |
| **NET ASSETS** | **5,666** | **5,981** | **4,450** | **10,636** |
| **EQUITY** | | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | | |
| Share capital | 50,731 | 45,964 | 50,731 | 45,964 |
| Other reserves | 2,618 | 2,100 | 2,542 | 2,112 |
| Accumulated losses | (47,683) | (42,083) | (48,823) | (37,440) |
| **Total equity** | **5,666** | **5,981** | **4,450** | **10,636** |

** - Amount less than S$1,000*

**1 (b)(ii) Aggregate amount of group's borrowings and debt securities**

Amount repayable in one (1) year or less, or on demand

| | As at 31 March 2015 (Unaudited) | | As at 31 March 2014 (Audited) | |
|---|---|---|---|---|
| | Secured S$'000 | Unsecured S$'000 | Secured S$'000 | Unsecured S$'000 |
| Bank borrowings | - | - | - | - |
| Loans from shareholder | - | - | - | - |

Amount repayable after one (1) year

| | As at 31 March 2015 (Unaudited) | | As at 31 March 2014 (Audited) | |
|---|---|---|---|---|
| | Secured S$'000 | Unsecured S$'000 | Secured S$'000 | Unsecured S$'000 |
| Bank borrowings | - | - | - | - |
| Loans from shareholder | - | 2,750 | - | 2,750 |

**Details of any collateral**

Not applicable, as there are no collateral on the Group's borrowings. The loans from shareholder are interest-free and unsecured. The settlement of the amount is at the discretion of the Company and is not likely to occur within the next twelve (12) months.

**1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

| | 12 months ended 31 Mar 2015 (Unaudited) S$'000 | 12 months ended 31 Mar 2014 (Audited) S$'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net loss | (5,600) | (5,807) |
| Adjustments for | | |
| - Income tax expense | - | 23 |
| - Amortisation of intangible assets | 261 | 90 |
| - Depreciation of property, plant and equipment | 556 | 213 |
| - Unrealised currency translation losses/(gains) | 68 | (-*) |
| - Interest income | (15) | (7) |
| - Gain on disposal of property, plant and equipment | -* | (2) |
| - Property, plant and equipment written off | - | 1 |
| - Allowance for inventories obsolescence | - | 9 |
| - Loss on share exchange (available-for-sale financial asset) | 2,056 | - |
| - Impairment loss on non-trade debts to a joint venture | 6 | 837 |
| - Share of loss of a joint venture | 149 | 381 |
| - Employee share option expenses | 432 | 559 |
| | (2,087) | (3,703) |
| **Change in working capital:** | | |
| - Inventories | (122) | (135) |
| - Trade and other receivables | 159 | (264) |
| - Other current assets | (375) | 48 |
| - Trade payables and other liabilities | (62) | (3,144) |
| **Cash used in operations** | (2,487) | (7,198) |
| Interest received | 15 | 10 |
| Income tax (paid)/refund | (2) | 7 |
| **Net cash used in operating activities** | (2,474) | (7,181) |
| | | |
| **Cash flows used in investing activities** | | |
| Net cash acquired from the acquisition of a subsidiary | - | 106 |
| Additions to property, plant and equipment | (1,270) | (493) |
| Additions to intangible assets | (39) | - |
| Sales proceeds on disposal of property, plant and equipment | - | 34 |
| **Net cash used in investing activities** | (1,309) | (353) |
| | | |
| **Cash flows from financing activities** | | |
| Proceeds from new share options granted | -* | - |
| Proceeds from the renounceable and partially underwritten Rights Shares | 3,302 | 1,774 |
| Proceeds from share placement | - | 4,363 |
| Proceeds from exercise of share options | 4 | 40 |
| Share issue expenses | (315) | (156) |
| Loans to a joint venture | (200) | (1,195) |
| **Net cash from financing activities** | 2,791 | 4,826 |
| | | |
| **Net decrease in cash and cash equivalents** | **(992)** | **(2,708)** |
| | | |
| **Cash and cash equivalents** | | |
| Beginning of financial year | 2,931 | 5,624 |
| Effects of currency translation on cash and cash equivalents | 6 | 15 |
| **End of financial year** | **1,945** | **2,931** |

** Amount less than S$1,000*

**1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**STATEMENT OF CHANGES IN EQUITY**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015/2014**

| Group | Share capital | Currency translation reserve | Share option reserve | Capital reserve | Accumulated losses | Total attributable to equity holders of the Company |
|---|---|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **(Audited)** | | | | | | |
| **Balance as at 1 April 2013** | 37,718 | (42) | 1,567 | -* | (36,276) | 2,967 |
| Total comprehensive loss for the year | - | 30 | - | - | (5,807) | (5,777) |
| Value of employee services received for issue of share options | - | - | 559 | - | - | 559 |
| Issuance of consideration shares for acquisition of a subsidiary ** | 1,315 | - | - | - | - | 1,315 |
| Issuance of consideration shares and commission shares for the acquisition of available-for-sale financial asset *** | 2,670 | - | - | - | - | 2,670 |
| Share placement | 4,363 | - | - | - | - | 4,363 |
| Share issue expenses | (156) | - | - | - | - | (156) |
| Share options exercised | 54 | - | (14) | - | - | 40 |
| **Balance as at 31 March 2014** | 45,964 | (12) | 2,112 | -* | (42,083) | 5,981 |
| **(Unaudited)** | | | | | | |
| **Balance as at 1 April 2014** | 45,964 | (12) | 2,112 | -* | (42,083) | 5,981 |
| Total comprehensive loss for the year | - | 88 | - | - | (5,600) | (5,512) |
| Value of employee services received for issue of share options | - | - | 432 | - | - | 432 |
| Share options exercised | 6 | - | (2) | - | - | 4 |
| Renounceable and partially underwritten Rights Issue | 5,076 | - | - | - | - | 5,076 |
| Share issue expenses | (315) | - | - | - | - | (315) |
| Proceeds from new share options granted | - | - | -* | - | - | -* |
| **Balance as at 31 March 2015** | 50,731 | 76 | 2,542 | -* | (47,683) | 5,666 |

* *Amount less than S$1,000*

** *Pursuant to the Singapore Financial Reporting Standards 103, the consideration value is based on the closing market price of the Company's shares as at the completion date of the acquisition of S$0.09 per share, instead of the issue price of S$0.13 per share as stated in the sale and purchase agreement.*

*** *Pursuant to the Singapore Financial Reporting Standards 39, the consideration value for the subscription of 4.99% of the issued and paid-up capital of 212 DB Corp was based on the closing market price of the Company's shares as at the completion date of the subscription of S$0.083 per share, instead of the issue price of S$0.207 per share as stated in the conditional subscription agreement. Please refer to the Company's announcements dated 18 December 2013, 20 December 2013 and 23 December 2013 for further details.*

**1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)**

**STATEMENT OF CHANGES IN EQUITY**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015/2014**

| Company | Share capital | Share option reserve | Capital reserve | Accumulated losses | Total equity |
|---|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **(Audited)** | | | | | |
| **Balance as at 1 April 2013** | 37,718 | 1,567 | -* | (34,662) | 4,623 |
| Total comprehensive loss for the year | - | - | - | (2,778) | (2,778) |
| Value of employee services received for issue of share options | - | 559 | - | - | 559 |
| Issuance of consideration shares for acquisition of a subsidiary ** | 1,315 | - | - | - | 1,315 |
| Issuance of consideration shares and commission shares for the acquisition of available-for-sale financial asset *** | 2,670 | - | - | - | 2,670 |
| Share placement | 4,363 | - | - | - | 4,363 |
| Share issue expenses | (156) | - | - | - | (156) |
| Share options exercised | 54 | (14) | - | - | 40 |
| **Balance as at 31 March 2014** | 45,964 | 2,112 | -* | (37,440) | 10,636 |
| **(Unaudited)** | | | | | |
| **Balance as at 1 April 2014** | 45,964 | 2,112 | -* | (37,440) | 10,636 |
| Total comprehensive loss for the year | - | - | - | (11,383) | (11,383) |
| Value of employee services received for issue of share options | - | 432 | - | - | 432 |
| Share options exercised | 6 | (2) | - | - | 4 |
| Renounceable and partially underwritten Rights Issue | 5,076 | - | - | - | 5,076 |
| Share issue expenses | (315) | - | - | - | (315) |
| Proceeds from new share options granted | - | -* | - | - | -* |
| **Balance as at 31 March 2015** | 50,731 | 2,542 | -* | (48,823) | 4,450 |

* *Amount less than S$1,000*

** *Pursuant to the Singapore Financial Reporting Standards 103, the consideration value is based on the closing market price of the Company's shares as at the completion date of the acquisition of S$0.09 per share, instead of the issue price of S$0.13 per share as stated in the sale and purchase agreement.*

*** *Pursuant to the Singapore Financial Reporting Standards 39, the consideration value for the subscription of 4.99% of the issued and paid-up capital of 212 DB Corp was based on the closing market price of the Company's shares as at the completion date of the subscription of S$0.083 per share, instead of the issue price of S$0.207 per share as stated in the conditional subscription agreement. Please refer to the Company's announcements dated 18 December 2013, 20 December 2013 and 23 December 2013 for further details.*

**1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as, the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

| | Number of Shares | Share Capital |
|---|---|---|
| | | S$'000 |
| **Issued and fully paid ordinary shares** | | |
| Balance at 1 January 2015 | 888,427,918 | 50,731 |
| Changes in issued share capital | - | - |
| Balance at 31 March 2015 | 888,427,918 | 50,731 |

As at 31 March 2015, the total number of employee share options outstanding was 41,233,000 (31 March 2014: 28,751,500).

On 28 September 2013, the Company entered into subscription agreements ("Subscription Agreements") to allot and issue 35,700,000 new ordinary shares at a price of S$0.12222 per share to provide funds for the settlement of all unpaid construction costs for CAT's existing factory situated in Thailand and the balance thereof for its working capital. The placement was completed on 16 October 2013. The newly issued shares rank pari passu in all respects with the previously issued shares. Pursuant to the Subscription Agreements, the Company had granted options to each subscriber to subscribe an aggregate of 35,700,000 additional shares in the share capital of the Company at S$0.12222 per option share ("Call Options"). The value of call option has been recognised within the share capital. As at 31 March 2015, none of the Call Options were exercised and the Call Options will expire on 27 September 2015.

The total number of Call Options outstanding as at 31 March 2015 was 35,700,000 (31 March 2014: 35,700,000).

The Company did not have any treasury shares as at 31 March 2015 and 31 March 2014.

**1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

| | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|
| **Number of issued shares** | 888,427,918 | 634,556,192 |

The Company did not have any treasury shares as at 31 March 2015 and 31 March 2014.

**1 (d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial reporting year as those applied in the preparation of the audited financial statements for the financial year ended 31 March 2014.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

**6. Loss per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

**(a) Basic loss per share based on the weighted average number of ordinary shares on issue; and**

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

| | 3 Months | | 12 Months | |
|---|---|---|---|---|
| | 1 Jan 2015 to 31 Mar 2015 | 1 Jan 2014 to 31 Mar 2014 | 1 Apr 2014 to 31 Mar 2015 | 1 Apr 2013 to 31 Mar 2014 |
| Net loss attributable to equity holders of the Company (S$'000) | 3,360 | 1,628 | 5,600 | 5,807 |
| Weighted average number of ordinary shares outstanding to compute basic loss per share | 888,427,918 | 627,766,109 | 873,803,249 | 578,953,208 |
| Basic loss per share (S$ cents) | 0.38 | 0.26 | 0.64 | 1.00 |

**(b) Diluted loss per share on a fully diluted basis (detailing any adjustments made to the earnings)**

For the purpose of calculating diluted loss per share, net loss attributable to equity holders of the Company and the weighted average number of ordinary shares in issue are adjusted for the dilutive effects of potential ordinary share issues.

The Company has one category of potential dilutive ordinary shares, which is share options as at 31 March 2015 and 31 March 2014.

For share options, the weighted average number of shares in issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net loss.

**6. Loss per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

(b) **Diluted loss per share on a fully diluted basis (detailing any adjustments made to the earnings)** (continued)

Diluted loss per share attributable to equity holders of the Company is calculated as follows:

| | 3 Months | | 12 Months | |
|---|---|---|---|---|
| | 1 Jan 2015 to 31 Mar 2015 | 1 Jan 2014 to 31 Mar 2014 | 1 Apr 2014 to 31 Mar 2015 | 1 Apr 2013 to 31 Mar 2014 |
| Net loss used to determine diluted loss per share (S$'000) | 3,360 | 1,628 | 5,600 | 5,807 |
| Weighted average number of ordinary shares outstanding for basic loss per share | 888,427,918 | 627,766,109 | 873,803,249 | 578,953,208 |
| Adjustment for - Share options | 3,486,517 | 268,347 | 3,258,207 | 1,387,183 |
| | 891,914,435^ | 628,034,456^ | 877,061,456^ | 580,340,391^ |

The following share options were excluded from the diluted weighted average number of ordinary share calculation as their effect would have been anti-dilutive:

| Date of grant of options | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|
| 2 July 2009 | Not applicable | 4,379,250 |
| 20 July 2010 | 720,000 | Nil |
| 23 June 2011 | 8,990,000 | 9,080,000 |
| 23 December 2011 | 4,563,000 | 4,613,000 |
| 22 August 2012 | 6,620,000 | 7,580,000 |
| 28 September 2013 | 35,700,000 | 18,094,521 |
| 22 April 2014 | Nil | Not applicable |

^ In the current financial year, although the options granted were dilutive in nature, the diluted loss per share was computed based on the weighted average number of shares of 888,427,918 shares (31 March 2014: 627,766,109) for the 3 months ended 31 March 2015 and 873,803,249 shares (31 March 2014: 578,953,208) for the 12 months ended 31 March 2015 as the Group had incurred losses.

| | 3 Months | | 12 Months | |
|---|---|---|---|---|
| | 1 Jan 2015 to 31 Mar 2015 | 1 Jan 2014 to 31 Mar 2014 | 1 Apr 2014 to 31 Mar 2015 | 1 Apr 2013 to 31 Mar 2014 |
| Diluted loss per share (S$ cents) | 0.38 | 0.26 | 0.64 | 1.00 |

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year:**

| | Group | | Company | |
|---|---|---|---|---|
| | As at 31 March 2015 | As at 31 March 2014 | As at 31 March 2015 | As at 31 March 2014 |
| Net asset value per ordinary share (S$ cents) | 0.64 | 0.94 | 0.50 | 1.68 |

Net asset value per ordinary share is calculated based on 888,427,918 shares in issue as at 31 March 2015 (634,556,192 shares in issue as at 31 March 2014).

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**GROUP FINANCIAL PERFORMANCE**

**Consolidated Statement of Comprehensive Income**

Revenue for the twelve months ended 31 March 2015 ("**FY 2015**") increased to S$8.05 million from S$2.01 million for the corresponding twelve months ended 31 March 2014 ("**FY 2014**"). The increase was mainly due to revenue contribution from the Group's contract manufacturing subsidiary, Colibri Assembly (Thailand) Co., Ltd ("**CAT**"). Revenue in FY 2015 included twelve months revenue from CAT, while revenue in FY 2014 included only four months of revenue from CAT as the acquisition of CAT was in December 2013. Revenue from Contract Manufacturing business accounted for approximately 98% of the Group's total revenue in FY 2015. In addition, the Group's Media Solutions business generated revenue of approximately S$0.11 million in FY 2015 as compared to S$7K in FY 2014. The increase in cost of sales by S$3.80 million in FY 2015 was in line with the higher revenue.

The aggregate of distribution, administrative and other operating expenses for FY 2015 increased by S$1.38 million as compared to FY 2014. This was mainly due to the following:-

1. Consolidation of CAT's expenses of four months in FY 2014 of S$0.39 million as compared to twelve months of S$1.56 million in FY 2015 pursuant to the acquisition of CAT in December 2013.
2. Increase in amortisation of intangible assets of S$0.16 million mainly due to the amortisation of customer relationship arising from the acquisition of CAT.
3. Increase in overall payroll of S$0.24 million due to an increase in headcount in view of increase in activities of the Media Solutions business.

The increase in distribution, administrative and other operating expenses in FY 2015 was partially offset by the following:-

1. Decrease in share option expenses of approximately S$0.13 million, as the share options granted by the Group had been fully vested in FY 2014.
2. Decrease in website hosting costs of approximately S$60K due to the change in hosting service providers that charged at a lower rate.

The increase in other expenses from FY 2014 (S$0.82 million) to FY 2015 (S$1.72 million) was mainly due to loss on share exchange (available-for-sale financial asset) as a result of share swap between 212 DB Corporation ("**212 DB**") and a publicly traded entertainment technology company, Nyxio Technologies Corporation ("**Nyxio**"), in October 2014 of S$2.06 million. This was partially offset by lower impairment loss on non-trade debts to a joint venture of S$0.83 million, higher foreign exchange gain in FY 2015 of S$0.28 million and slight increase in interest income from bank deposits and other operating income of S$0.05 million.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.** (continued)

**Statement of Financial Position**

Current assets increased slightly from S$4.56 million as at 31 March 2014 to S$4.61 million as at 31 March 2015, mainly due to a reclassification of available-for-sale financial asset ("**AFS**") from non-current to current of S$0.61 million, increase in other current assets of S$0.38 million and inventories of S$0.15 million. This was partially offset by a decrease in cash and cash equivalents of S$0.99 million and decrease in trade and other receivables of S$0.11 million.

Cash and cash equivalents decreased from S$2.93 million as at 31 March 2014 to S$1.94 million as at 31 March 2015. This was mainly due to the funds used for the Group's operating activities of S$2.47 million, purchase of property, plant and equipment of S$1.27 million, purchase of intangible assets of S$0.04 million arising from the purchase of computer software and loan of S$0.20 million to Artimedia Limited ("**Artimedia BVI**"), a joint venture of Artimedia Pte Ltd, for working capital purpose. This decrease was partially offset by net proceeds received from the Rights Issue of S$2.99 million which was completed in April 2014 (excluding the deposit of S$1.77 million received in March 2014 from the undertaking shareholders pursuant to the Deed of Undertaking relating to the Rights Issue).

Overall, AFS decreased from S$2.67 million to S$0.61 million due to loss of S$2.06 million as a result of share swap between 212 DB and Nyxio during the year. On 1 October 2014, Nyxio acquired all of the issued and outstanding capital stock of 212 DB in exchange for the issuance of convertible preferred shares, Nyxio Series A Preferred Stock.

Trade and other receivables decreased from S$0.98 million as at 31 March 2014 to S$0.87 million as at 31 March 2015, mainly due to a decrease in trade receivables of S$0.21 million from the Contract Manufacturing business and partially offset by an increase in trade receivables of S$0.17 million from the Media Solutions business. The decrease in other receivables of S$0.07 million was from the Contract Manufacturing business.

Other current assets increased from S$0.35 million as at 31 March 2014 to S$0.73 million as at 31 March 2015, mainly due to an increase in prepayments from the Media Solutions business of S$0.38 million.

Non-current assets decreased from S$6.87 million as at 31 March 2014 to S$4.92 million as at 31 March 2015, mainly due to a decrease in AFS on the reclassification from non-current to current and decrease in intangible assets of S$0.22 million. This decrease was partially offset by an increase in property, plant and equipment of S$0.94 million.

Property, plant and equipment increased from S$3.05 million as at 31 March 2014 to S$3.99 million as at 31 March 2015, mainly due to construction of additional clean room by the subsidiary, CAT, which was partially offset by the depreciation charges incurred during the year.

Intangible assets decreased from S$1.15 million as at 31 March 2014 to S$0.92 million as at 31 March 2015, mainly due to the amortisation charges incurred during the year.

Current liabilities decreased from S$2.71 million as at 31 March 2014 to S$1.12 million as at 31 March 2015. This was mainly due to a decrease in trade payables and other liabilities in relation to a deposit from undertaking shareholders of S$1.77 million pursuant to the Deed of Undertaking relating to the Rights Issue which was completed in April 2014 and slightly offset by an increase in trade payables and accruals of approximately S$0.18 million.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.** (continued)

**Statement of Financial Position** (continued)

Non-current liability remained unchanged at S$2.75 million as at 31 March 2014 and 31 March 2015.

Total equity decreased from S$5.98 million as at 31 March 2014 to S$5.67 million as at 31 March 2015, mainly due to losses in FY 2015, partially offset by an increase in share capital from the Rights Issue of S$4.76 million.

**Consolidated Statement of Cash flows**

Net cash used in operating activities for FY 2015 was S$2.47 million, mainly due to losses incurred by the Group. Net cash used in investing activities for FY 2015 was S$1.31 million, largely due to the additions of property, plant and equipment and intangible assets for CAT. Net cash from financing activities for FY 2015 was S$2.79 million due to the proceeds from the Rights Issue of S$3.30 million that was partially reduced by share issue expenses of S$0.32 million incurred for the Rights Issue and the loan to Artimedia BVI, a joint venture of Artimedia Pte Ltd, for working capital of S$0.20 million.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

**(i) Media Solutions**

The Company had on 26 April 2015 and 4 May 2015 respectively announced that its wholly-owned subsidiary, Artimedia Technologies Ltd. ("**Artimedia**"), had signed a three-year exclusive business contract with Walla! Communications Ltd. ("**Walla**"), Israel's leading Internet portal and a one-year exclusive business contract with Globes Publisher Itonut (1983) Ltd ("**Globes**"), Israel's leading business news site. Under the contracts, Walla and Globes will provide a minimum of 10 million and 2 million video views per month respectively for Artimedia to insert advertisements. These contracts are expected to increase the gross revenue of the Media Solutions business.

Further to contracts with Walla and Globes, Artimedia also signed an exclusive contract with CTV Media Israel Ltd ("**CTV**"), one of Israel's foremost companies in the field of digital signage. The contract will enable brands and agencies, to programmatically manage campaigns on CTV's outdoor digital billboards through Artimedia's video advertising platform. CTV is one of the key suppliers in the world for the digital signage technology. Its solutions cover all aspects of away-from-home digital advertising – from POS, service centers, and display networks in banks and office buildings to outdoor LED billboards located in tens of prime locations. CTV also provides audio programming solutions to major shopping malls and retail chains. CTV's systems are widely deployed in Israel, with thousands of screens located at hundreds of sites. The CTV client list in Israel includes the largest names in the food, retail, banking and cellular industries. CTV is jointly owned by Fishman Group and Mapal Communications.

In addition, we are currently in the final stage of negotiation with some of the advertising network agencies and publishers in Israel and China. Barring any unforeseen circumstances, we are cautiously optimistic on the positive business outlook of the Media Solutions business. We will make further announcement(s) as and when there is material development.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.** (continued)

**(ii) Contract Manufacturing Business**

End-customers of the subsidiary, CAT, had completed qualifications for the new clean room and products to be produced in the new clean room as at 31 March 2015. CAT had started the production in the new clean room at the beginning of the financial year ending 31 March 2016. Although volume demand forecast from the customer looks stable for the next few years, demand for higher value manufactured products by our end-customers is expected to gradually increase. Barring any unforeseen circumstances, we are cautiously optimistic that the Contract Manufacturing Business will continue to have a positive business outlook.

**11. Dividends.**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended.

**13. Use of proceeds from the Rights Issue**

The Company had in April 2014, completed a renounceable and partially underwritten rights issue exercise of 253,822,476 new ordinary shares in the capital of the Company ("**Rights Issue**").

As at 31 March 2015, the net proceeds of S$4.76 million from the Rights Issue have been partially utilised as follows:

Use of Rights Issue Proceeds

| | S$'million |
|---|---|
| Gross Proceeds | 5.08 |
| Less: Rights Issue Expenses | (0.32) |
| Net Proceeds | 4.76 |

Utilisation of Rights Issue Proceeds

| | S$'million |
|---|---|
| As working capital for the twelve months ended 31 March 2015 | |
| - Distribution expenses | 0.75 |
| - Administrative expenses | 1.97 |
| - Other operating expenses | 1.09 |
| As working capital to a joint venture of Artimedia Pte Ltd, Artimedia Limited, previously granted to Artimedia (Beijing) Media Co., Limited | 0.20 |
| Advance payment to a publisher for purchase of media video viewship | 0.41 |
| Total Used | 4.42 |
| Balance unutilised | 0.34 |

The proceeds from the Rights Issue have been utilised in accordance with its stated use in the offer information statement issued by the Company dated 27 March 2014.

**14. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have a general mandate from shareholders for interested person transactions.

**15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statement, with comparative information for the immediately preceding year.**

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chairman and Executive Directors (the chief operating decision maker) will review internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

(a) Video Management Equipment and Solutions: includes supply of intelligent monitoring system, software licensing and maintenance.
(b) Media Solutions: includes the rendering of video monetisation services to advertisers and publishers, whereby advertisements are delivered in and around video content.
(c) Contract Manufacturing Business: includes contract manufacturing of disk drive technology products.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's Chairman and Executive Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The segment information provided to the Chairman and Executive Directors for the reportable segments are as follows:

***Business segments***

| | Video Management Equipment and Solutions | | Media Solutions | | Contract Manufacturing Business | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2015 S$'000 | 2014 S$'000 | 2015 S$'000 | 2014 S$'000 | 2015 S$'000 | 2014 S$'000 | 2015 S$'000 | 2014 S$'000 |
| Segment revenue | 16 | 46 | 105 | 7 | 7,927 | 1,958 | 8,048 | 2,011 |
| Reportable segment loss before income tax | (436) | (674) | (2,939) | (4,052) | 902 | 86 | (2,473) | (4,640) |
| **Other material non-cash items:** | | | | | | | | |
| Depreciation of property, plant and equipment | 3 | 6 | 27 | 45 | 501 | 138 | 531 | 189 |
| Amortisation of intangible assets | - | - | 6 | 8 | 255 | 82 | 261 | 90 |
| **Assets and liabilities:** | | | | | | | | |
| Reportable segment assets | 32 | 41 | 1,139 | 425 | 6,350 | 5,467 | 7,521 | 5,933 |
| Reportable segment liabilities | 154 | 156 | 343 | 196 | 420 | 341 | 917 | 693 |
| **Other segment information:** | | | | | | | | |
| Capital expenditure of property, plant and equipment | - | - | 37 | - | 1,233 | 405 | 1,270 | 405 |
| Capital expenditure of intangible assets | - | - | -* | - | 39 | 1,225 | 39 | 1,225 |

**** Amount less than S$1,000***

**15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statement, with comparative information for the immediately preceding year.** (continued)

(a) Reconciliations

*(i) Segment loss*

A reconciliation of reportable segment revenues and profit or loss is as follows:

| | 2015 S$'000 | 2014 S$'000 |
|---|---|---|
| **Revenues** | | |
| Total revenue for reportable segments | 8,048 | 2,011 |
| Consolidated revenue | 8,048 | 2,011 |
| **Profit or loss** | | |
| Total profit or loss for reportable segments | (2,473) | (4,640) |
| Unallocated amounts: | | |
| - Distribution expenses | (4) | - |
| - Administrative expenses | (1,177) | (1,134) |
| - Other operating expenses | (190) | (23) |
| - Other (expenses)/income – net | (1,756) | 13 |
| Consolidated loss before income tax | (5,600) | (5,784) |

*(ii) Segment assets*

The amounts provided to the Chairman and Executive Directors with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Chairman and Executive Directors monitor the property, plant and equipment, intangible assets, inventories, receivables and operating cash attributable to each segment. All assets are allocated to reportable segments other than cash and cash equivalents, available-for-sale financial asset, property, plant and equipment, other receivables such as interest receivables, corporate services and other current assets such as prepayments, deposits and advances to employees and suppliers.

Segment assets are reconciled to total assets as follows:

| | 2015 S$'000 | 2014 S$'000 |
|---|---|---|
| Segment assets for reportable segments | 7,521 | 5,933 |
| Unallocated: | | |
| Cash and cash equivalents | 1,268 | 2,378 |
| Trade and other receivables | - | 56 |
| Other current assets | 105 | 349 |
| Property, plant and equipment | 28 | 52 |
| Available-for-sale financial assets | 613 | 2,670 |
| Consolidated total assets | 9,535 | 11,438 |

**15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statement, with comparative information for the immediately preceding year.** (continued)

*(iii) Segment liabilities*

The amounts provided to the Chairman and Executive Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than accrued professional fees such as audit fees, tax fees, secretarial fees, advance payments from share option holders and shareholders, accrued shared payroll expenses and directors' fees.

Segment liabilities are reconciled to total liabilities as follows:

| | 2015<br>S$'000 | 2014<br>S$'000 |
|---|---|---|
| Segment liabilities for reportable segments | 917 | 693 |
| Unallocated: | | |
| Trade payables and other liabilities | 202 | 2,014 |
| Loans from shareholder | 2,750 | 2,750 |
| Consolidated total liabilities | 3,869 | 5,457 |

(b) Geographical information

The Group's three business segments operate primarily in three main geographical areas. In Asia, where the Company is located, the areas of operation of the Group are principally video management equipment and solutions and contract manufacturing business.

The main activities in Europe, Middle East and Africa ("**EMEA**") and North America consist of media solutions business.

The following table presents revenue information by geographical areas for the financial years ended 31 March 2015 and 2014.

| | Segment revenue | | Non-current assets | |
|---|---|---|---|---|
| | 2015<br>S$'000 | 2014<br>S$'000 | 2015<br>S$'000 | 2014<br>S$'000 |
| Asia | 7,943 | 2,004 | 4,873 | 4,159 |
| EMEA | 105 | 3 | 49 | 45 |
| North America | - | 4 | - | 2,670 |
| | 8,048 | 2,011 | 4,922 | 6,874 |

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Section 8.

**17. A breakdown of sales as follows:**

| Group | 2015 S$'000 | 2014 S$'000 | % Change + / - |
|---|---|---|---|
| **First Half** | | | |
| Revenue reported for the first half-year | 4,024 | 20 | 20,020 |
| Loss reported for the first half-year | (1,499) | (2,975) | (50) |
| **Second Half** | | | |
| Revenue reported for the second half-year | 4,024 | 1,991 | 102 |
| Loss reported for the second half-year | (4,101) | (2,832) | 45 |

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

| Name | Age | Family relationship with any director, CEO and/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|---|---|---|---|---|
| Mr Benedict Soh Kim Hock | 51 | Brother-in-law of Mr Philip Soh (Chairman and substantial shareholder of the Company). | General Manager and Director of Colibri Assembly (Thailand) Co., Ltd ("**CAT**") since 16 December 2013. He overseas the operation of CAT. | No Change |

**BY ORDER OF THE BOARD**

Philip Soh
Non-Executive Chairman

Kenneth Goh
Executive Director and Chief Executive Officer

29 May 2015