



artivision
technologies

Company Registration No. 200407031R

ARTIVISION TECHNOLOGIES LTD.

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst. 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

	3 Months			12 Months		
	1 Jan 2018 to 31 Mar 2018	1 Jan 2017 to 31 Mar 2017	+/-	1 Apr 2017 to 31 Mar 2018	1 Apr 2016 to 31 Mar 2017	+/-
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Audited) S\$'000	%
Continuing operations						
Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-
Other (losses) / gains - net	(2)	618	N.M.	5	89	(94)
Expenses						
- Distribution	(18)	(59)	(69)	(72)	(157)	(54)
- Administrative	(346)	(775)	(55)	(2,301)	(1,662)	38
- Finance	(194)	(782)	(75)	(1,013)	(4,054)	(75)
Loss before income tax	(560)	(998)	(44)	(3,381)	(5,784)	(42)
Income tax expense	-	-	-	-	-	-
Loss from continuing operations	(560)	(998)	(44)	(3,381)	(5,784)	(42)
Discontinued operations*						
Loss from discontinued operations	(1,913)	(6,434)	(70)	(4,738)	(10,072)	(53)
Total losses	(2,473)	(7,432)	(67)	(8,119)	(15,856)	(49)
Other comprehensive income:						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation	29	(224)	N.M.	1,054	(706)	N.M.
Total comprehensive loss	(2,444)	(7,656)	(68)	(7,065)	(16,562)	(57)

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)

* Discontinued operations relate to the following:

- (i) the Media Solution Business of the Group undertaken by Artimedia Pte. Ltd. and its wholly-owned subsidiary, Artimedia IL ("**Artimedia Group**"); and
- (ii) the Contract Manufacturing Business of the Group undertaken by Colibri Assembly (Thailand) Co., Ltd ("**CAT**").

The financial results of Artimedia Group were included in the Group's unaudited consolidated financial results up to the date of completion of the disposal of Artimedia Group on 11 August 2017.

The financial results of CAT were classified as discontinued operations following the Group's announcement on 27 February 2018 that CAT will cease its operations and business, and the Company will proceed to undertake a members' voluntary winding up of CAT.

The results of the discontinued operations are as follows:

	3 Months			12 Months		
	1 Jan 2018 to	1 Jan 2017 to	+/-	1 Apr 2017 to	1 Apr 2016 to	+/-
	31 Mar 2018	31 Mar 2017		31 Mar 2018	31 Mar 2017	
	(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Discontinued operations						
Revenue	1,318	6,225	(79)	12,931	21,751	(41)
Cost of sales	(773)	(4,990)	(85)	(9,779)	(17,972)	(46)
Gross profit	545	1,235	(56)	3,152	3,779	(17)
Gross profit margin	41%	20%		24%	17%	
Other gains - net	(13)	1,316	N.M.	23	1,323	(98)
Expenses						
- Distribution	(61)	(501)	(88)	(865)	(1,965)	(56)
- Administrative	(2,384)	(8,472)	(72)	(7,013)	(13,154)	(47)
- Finance	-	-	-	(15)	-	N.M.
- Share of loss of a joint venture	-	(12)	(100)	(20)	(55)	(64)
Loss before income tax from discontinued operations	(1,913)	(6,434)	(70)	(4,738)	(10,072)	(53)
Income tax expense	-	-	-	-	-	-
Net loss for the period from discontinued operations	(1,913)	(6,434)	(70)	(4,738)	(10,072)	(53)

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 2018 to	1 Jan 2017 to	+/-	1 Apr 2017 to	1 Apr 2016 to	+/-
	31 Mar 2018	31 Mar 2017		31 Mar 2018	31 Mar 2017	
	(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operations:						
Depreciation of property, plant and equipment	(1)	(4)	(75)	(2)	(6)	(67)
Amortisation of intangible assets	-	-	-	-	(2)	(100)
Property, plant and equipment written off	(1)	-	N.M.	-	-	-
Other gains/(losses) – net						
Currency translation gains/(losses) - net	(64)	(617)	(90)	(67)	356	N.M.
Fair value changes on derivative financial instruments	(13)	(10)	(30)	-	314	(100)
Impairment in value of investments	-	-	-	-	(613)	(100)
Interest income from bank and fixed deposits	-*	3	(100)	1	13	(92)
Loss on disposal of subsidiary	-	-	-	(187)	-	N.M.
Finance expenses						
Interest expense on convertible loan	-	(588)	(100)	(102)	(2,347)	(96)
Interest expense on bonds	(194)	(195)	(1)	(910)	(1,707)	(47)

N.M. – not meaningful

* - Amount less than S\$1,000

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 2018 to 31 Mar 2018	1 Jan 2017 to 31 Mar 2017	+/-	1 Apr 2017 to 31 Mar 2018	1 Apr 2016 to 31 Mar 2017	+/-
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Audited) S\$'000	%
<u>Discontinued operations:</u>						
Depreciation of property, plant and equipment	(62)	(37)	68	(501)	(140)	258
Amortisation of intangible assets	(114)	(70)	63	(412)	(271)	52
Property, plant and equipment written off	(997)	-	N.M.	(2,215)	-	N.M.
Write-off for stock obsolescence	(66)	-	N.M.	(70)	-	N.M.
<u>Other gains/(losses) – net</u>						
Currency translation gains/(losses) - net	3	1,311	(100)	(5)	1,276	N.M.
Interest income from bank and fixed deposits	-	3	(100)	3	3	-
<u>Finance expenses</u>						
Interest expense	-	-	-	(15)	-	N.M.

N.M. – not meaningful

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.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Mar 2018 (Unaudited) S\$'000	31 Mar 2017 (Audited) S\$'000	31 Mar 2018 (Unaudited) S\$'000	31 Mar 2017 (Audited) S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	2,276	4,038	935	2,845
Available-for-sale financial asset	-	-	-	-
Trade and other receivables	1,299	471	1,237	180
Other current assets	123	211	66	106
Inventories	-	252	-	-
	3,698	4,972	2,238	3,131
Assets held-for-sale	-	9,078 ⁽¹⁾	-	-
	3,698	14,050	2,238	3,131
Non-current assets				
Other receivables	-	-	-	5,000
Available-for-sale financial asset	_*	_*	_*	_*
Investments in subsidiaries	-	-	-	1,315
Investment in a joint venture	-	-	-	-
Property, plant and equipment	5	2,657	-	6
Intangible assets	-	429	-	_*
	5	3,086	_*	6,321
Total assets	3,703	17,136	2,238	9,452
LIABILITIES				
Current liabilities				
Trade payables and other liabilities	1,843	1,264	1,053	899
Derivative financial instruments	-	13	-	13
Convertible loan	-	5,523	-	5,523
Bonds payable	6,875	7,175	6,875	7,175
	8,718	13,975	7,928	13,610
Liabilities held-for-sale	-	4,078 ⁽¹⁾	-	-
	8,718	18,053	7,928	13,610
Total liabilities	8,718	18,053	7,928	13,610
NET LIABILITIES	(5,015)	(917)	(5,690)	(4,158)

* - Amount less than S\$1,000

Note:

(1) The assets and liabilities held-for-sale as at 31 March 2017 refer to the respective assets and liabilities pertaining to Artimedia Group which was disposed on 11 August 2017.

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. (continued)

STATEMENTS OF FINANCIAL POSITION (continued)

	Group		Company	
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	71,777	68,787	71,777	68,787
Other reserves	2,673	1,642	2,515	2,538
Accumulated losses	(79,465)	(71,346)	(79,982)	(75,483)
Total equity	(5,015)	(917)	(5,690)	(4,158)

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

	As at 31 Mar 2018		As at 31 Mar 2017	
	(Unaudited)		(Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<u>Amount repayable in one (1) year or less, or on demand</u>				
Convertible loan	-	-	-	5,523
Bonds payable	-	6,875	-	7,175
<u>Amount repayable after one (1) year</u>	-	-	-	-

The convertible loan as at 31 March 2017 bears interest at 15% per annum and is unsecured and repayable on 16 April 2017. The convertible loan is convertible into a maximum of 42,462,845 new shares in the capital of the Company (the "**Conversion Shares**") at a conversion price of US\$0.0942 per Conversion Share. The convertible loan was fully repaid on 16 April 2017.

Bonds payable as at 31 March 2018 comprise the following:

- an aggregate principal amount of S\$2,875,000 as at 31 March 2018, which bears interest at 10% per annum, is unsecured and repayable on 31 August 2018;
- an aggregate principal amount of S\$2,000,000 as at 31 March 2018, which bears interest at 10% per annum, is unsecured and repayable on 31 August 2018; and
- an aggregate principal amount of S\$2,000,000 as at 31 March 2018, which bears interest at 15% per annum, is unsecured and repayable on 31 August 2018.

Bonds payable as at 31 March 2017 comprise the following:

- an aggregate principal amount of S\$2,300,000 as at 31 March 2017, which bears interest at 15% per annum, is unsecured and repayable on 30 June 2017;
- an aggregate principal amount of S\$2,875,000 as at 31 March 2017, which bears interest at 10% per annum, is unsecured and repayable on 30 June 2017; and
- an aggregate principal amount of S\$2,000,000 as at 31 March 2017, which bears interest at 10% per annum, is unsecured and repayable on 19 July 2017.

Details of any collateral

Not applicable, as there is no collateral on the Group's borrowings.

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

	12 months ended 31 Mar 2018 (Unaudited) S\$'000	12 months ended 31 Mar 2017 (Audited) S\$'000
Cash flows from operating activities		
Net loss	(8,119)	(15,856)
Adjustments for		
- Amortisation of intangible assets	412	271
- Depreciation of property, plant and equipment	501	626
- Property, plant and equipment written off	2,215	-
- Fair value changes on derivative financial instruments	(13)	(314)
- Interest income	(1)	(16)
- Interest expense on convertible loan	102	2,347
- Interest expense on bonds	910	1,707
- Impairment loss on asset held-for-sale	-	6,887
- Impairment loss on available-for-sale financial asset	-	613
- Inventory written down	70	-
- Loss on disposal of property, plant and equipment	-	11
- Share of loss of a joint venture	-	55
- Loss on disposal of subsidiary	(187)	-
- Unrealised currency translation losses	(88)	163
- Realised currency translation losses	1,171	-
- Write-back of share-based compensation expenses	(24)	(553)
	(3,051)	(4,059)
Change in working capital:		
- Inventories	181	53
- Trade and other receivables	162	(3,520)
- Other current assets	101	118
- Trade payables and other liabilities	266	(235)
	(2,341)	(7,643)
Cash used in operations		
Interest received	1	16
Income tax paid	-	(48)
Net cash used in operating activities	(2,340)	(7,675)
Cash flows from investing activities		
Additions to property, plant and equipment	(1)	(84)
Additions to intangible assets	-	(36)
Sales proceeds on disposal of property, plant and equipment	-	4
Disposal of the subsidiary, net of cash	4,000	-
Net cash generated from / (used in) investing activities	3,999	(116)
Cash flows from financing activities		
Proceeds from the renounceable and non-underwritten Rights Shares	-	10,307
Proceeds from share placement	-	4,500
Interest paid	(628)	(824)
Share issue expenses	(10)	(172)
Repayment of bond	(2,300)	(4,000)
Proceeds from issuance of bond	2,000	2,000
Repayment of convertible loan	(5,520)	-
Proceeds from issuance of shares upon exercise of options	3,000	-
Net cash (used in)/ generated from financing activities	(3,458)	11,811

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. (continued)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	12 months ended 31 Mar 2018 (Unaudited) S\$'000	12 months ended 31 Mar 2017 (Audited) S\$'000
Net (decrease) / increase in cash and cash equivalents	(1,799)	4,020
Cash and cash equivalents		
Beginning of financial year	4,038	3,469
Effects of currency translation on cash and cash equivalents	37	278
Cash and cash equivalents of Artimedia Group held-for sale	-	(3,729)
End of financial year	<u>2,276</u>	<u>4,038</u>

Additional disclosures on the statement of cash flows

The impact of the discontinued operations of CAT on the cash flows of the Group is as follows:

	Group 31 Mar 2018 S\$'000	31 Mar 2017 S\$'000
Operating cash inflows	310	1,734
Investing cash outflows	(3)	(30)
Financing cash outflows	(181)	(1,505)
Net cash inflows	<u>126</u>	<u>199</u>

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

Group	Share capital	Currency translation reserve	Share-based compensation 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 2016	51,402	(190)	3,091	-*	(55,490)	(1,187)
Loss for the year	-	-	-	-	(15,856)	(15,856)
Other comprehensive loss for the year	-	(706)	-	-	-	(706)
Total comprehensive loss for the year	-	(706)	-	-	(15,856)	(16,562)
Write-back value of employee services received for issue of share options and share awards	-	-	(553)	-	-	(553)
Share placement	4,500	-	-	-	-	4,500
Renounceable and non-underwritten Rights Issue	13,057	-	-	-	-	13,057
Share issue expenses	(172)	-	-	-	-	(172)
Balance as at 31 March 2017	68,787	(896)	2,538	-*	(71,346)	(917)
(Unaudited)						
Balance as at 1 April 2017	68,787	(896)	2,538	-*	(71,346)	(917)
Loss for the year	-	-	-	-	(8,119)	(8,119)
Other comprehensive gain for the year	-	1,054	-	-	-	1,054
Total comprehensive loss for the year	-	1,054	-	-*	(8,119)	(7,065)
Write-back value of employee services received for issue of share options and share awards	-	-	(23)	-	-	(23)
Conversion to shares	3,000	-	-	-	-	3,000
Share issue expenses	(10)	-	-	-	-	(10)
Balance as at 31 March 2018	71,777	158	2,515	-*	(79,465)	(5,015)

*- 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 (continued).

STATEMENT OF CHANGES IN EQUITY

Company	Share capital S\$'000	Share-based compensation reserve S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
(Audited)					
Balance as at 1 April 2016	51,402	3,091	-*	(50,340)	4,153
Total comprehensive loss for the year	-	-	-	(25,143)	(25,143)
Write-back of value of employee services received for issue of share options and share awards	-	(553)	-	-	(553)
Share placement	4,500	-	-	-	4,500
Renounceable and non-underwritten Rights Issue	13,057	-	-	-	13,057
Share issue expenses	(172)	-	-	-	(172)
Balance as at 31 March 2017	68,787	2,538	-*	(75,483)	(4,158)
(Unaudited)					
Balance as at 1 April 2017	68,787	2,538	-*	(75,483)	(4,158)
Total comprehensive loss for the year	-	-	-	(4,499)	(4,499)
Write-back value of employee services received for issue of share options and share awards	-	(23)	-	-	(23)
Conversion to shares	3,000	-	-	-	3,000
Share issue expenses	(10)	-	-	-	(10)
Balance as at 31 March 2018	71,777	2,515	-*	(79,982)	(5,690)

*- Amount less than S\$1,000

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 the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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-up ordinary shares		
Balance as at 31 December 2017 and 31 March 2018	1,797,792,986	71,777

The total number of shares in the capital of the Company ("**Shares**") that may be issued on conversion of all the outstanding convertibles of the Company as at 31 March 2018 was 760,255,555 (31 March 2017: 887,285,007), comprising the following:-

Description of options and share awards		As at 31 Mar 2018	As at 31 Mar 2017
Employee share options	(a)	4,700,000	18,800,000
Employee share awards	(a)	-	300,000
Conversion Shares	(b)	-	42,462,845
2015 APRIL Option Shares	(b)	-	21,231,422
2015 SEPTEMBER Option Shares	(c)	-	30,000,000
2015 DECEMBER Option Shares	(d)	-	33,750,000
2016 DECEMBER Option shares	(e)	555,555,555	740,740,740
2017 APRIL Option Shares	(f)	200,000,000	-
Total		760,255,555	887,285,007

(a) Employee share options and employee share awards

As at 31 March 2018, the total number of outstanding employee share options and employee share awards were 4,700,000 and NIL respectively (31 March 2017: 18,800,000 and 300,000 respectively).

(b) Conversion Shares and 2015 APRIL Option Shares

On 17 April 2015, the Company entered into a convertible loan agreement (the "**Loan Agreement**") with NCL Housing Pte. Ltd. (the "**Lender**") pursuant to which the Lender agreed to grant the Company loans of up to US\$4.00 million in principal amount (the "**Convertible Loan**"), convertible into 42,462,845 Conversion Shares at a conversion price of US\$0.0942 per Conversion Share at any time after the first drawdown date. The Convertible Loan was fully drawn down in April 2015.

1 (d)(ii) (continued)

(b) Conversion Shares and 2015 APRIL Option Shares (continued)

Pursuant to the Loan Agreement, the Company granted the Lender the rights to subscribe for 21,231,422 new Shares (the “**2015 APRIL Option Shares**”) at an exercise price of US\$0.0942 for each 2015 APRIL Option Share, subject to a maximum subscription amount of approximately US\$2.00 million (the “**2015 APRIL Options**”).

As at 31 March 2017, none of the 2015 APRIL Options was exercised. The 2015 APRIL Options expired on 16 April 2017.

(c) 2015 SEPTEMBER Option Shares

On 22 September 2015, the Company entered into a subscription agreement (the “**2015 SEPTEMBER Subscription Agreement**”) with Mr Ho Kok Fi John (the “**First Subscriber**”) and Mr Lim Chye Huat @ Bobby Lim Chye Huat (the “**Second Subscriber**”) (together, the “**2015 SEPTEMBER Subscribers**”), pursuant to which the 2015 SEPTEMBER Subscribers agreed to subscribe for bonds in aggregate principal amount of S\$4.00 million to be issued by the Company (“**2015 SEPTEMBER Bonds**”) at a subscription price of 80% of the principal amount of the 2015 SEPTEMBER Bonds (“**2015 SEPTEMBER Issuance of Bonds**”). The 2015 SEPTEMBER Bonds were interest-free. On 21 September 2016, the Company redeemed S\$4.00 million in aggregate principal amount of the 2015 SEPTEMBER Bonds at their principal amount at the redemption date. Following such redemption, the 2015 SEPTEMBER Bonds were cancelled and there was no 2015 SEPTEMBER Bond outstanding.

In connection with the 2015 SEPTEMBER Issuance of Bonds, the Company had, on the same day, entered into an option deed with the 2015 SEPTEMBER Subscribers pursuant to which the Company granted the 2015 SEPTEMBER Subscribers a total of 30,000,000 share options (“**2015 SEPTEMBER Options**”) with each 2015 SEPTEMBER Option carrying the right to subscribe for one new Share (“**2015 SEPTEMBER Option Share**”) at the exercise price of S\$0.10 for each 2015 SEPTEMBER Option Share.

As at 31 March 2017, none of the 2015 SEPTEMBER Options was exercised. The 2015 SEPTEMBER Options expired on 21 September 2017.

(d) 2015 DECEMBER Option Shares

On 31 December 2015, the Company entered into a subscription agreement (the “**2015 DECEMBER Subscription Agreement**”) with Mr Low See Ching (“**Mr. Low**”) and Ms Poh Chew Hua Christine (“**Ms. Poh**”) (together, the “**2015 DECEMBER Subscribers**”), pursuant to which the 2015 DECEMBER Subscribers agreed to subscribe for bonds in aggregate principal amount of S\$4.50 million to be issued by the Company (“**2015 DECEMBER Bonds**”) at a subscription price of 100% of the principal amount of the 2015 DECEMBER Bonds (“**2015 DECEMBER Issuance of Bonds**”). The 2015 DECEMBER Bonds bear an interest rate at 15% per annum, payable when the 2015 DECEMBER Bonds matured.

On 9 November 2016, the Company had obtained the agreement from Ms. Poh to extend the repayment period for the amount of S\$2.00 million due to Ms. Poh (including interests of S\$300,000) from 30 December 2016 to 30 June 2017, on the same terms as the subscription agreement dated 31 December 2015 (including interest rate of 15% per annum). On 29 December 2016, the Company announced that the aggregate principal amount of S\$2.50 million and the interest portion of S\$375,000 due to Mr. Low were redeemed by way of set-off against a new bond subscription agreement subscribed for by Mr. Low on 27 December 2016 (see point 1(d)(ii)(e) below).

In connection with the 2015 DECEMBER Issuance of Bonds, the Company, on the same day, entered into an option deed with the 2015 DECEMBER Subscribers, pursuant to which the Company granted the 2015 DECEMBER Subscribers a total of 33,750,000 share options (“**2015 DECEMBER Options**”) with each 2015 DECEMBER Option carrying the right to subscribe for one new Share (“**2015 DECEMBER Option Share**”) at the exercise price of S\$0.10 for each 2015 DECEMBER Option Share.

As at 31 March 2017, none of the 2015 DECEMBER Options was exercised. The 2015 DECEMBER Options expired on 30 December 2017.

1 (d)(ii) (continued)

(e) 2016 DECEMBER Option Shares

On 29 December 2016, the Company announced that it had, on 27 December 2016, entered into two separate subscription agreements (the “**2016 DECEMBER Subscription Agreements**”) with Mr. Low and Mr Tee Wee Sien (“**Mr. Tee**”) (together, the “**2016 DECEMBER Subscribers**”), pursuant to which the 2016 DECEMBER Subscribers agreed to subscribe for bonds in aggregate principal amount of S\$4,875,000 to be issued by the Company (“**2016 DECEMBER Bonds**”) (of which S\$2,875,000 is subscribed for by Mr. Low and S\$2,000,000 is subscribed for by Mr. Tee) at a subscription price of 100% of the principal amount of the Bonds (“**2016 DECEMBER Issuance of Bonds**”). The 2016 DECEMBER Issuance of Bonds have an interest rate of 10% per annum, payable when the 2016 DECEMBER Bonds mature at the end of six months from the date of the 2016 DECEMBER Bonds are issued or such other date as may be agreed between the Company and the 2016 DECEMBER Subscribers.

In connection with the 2016 DECEMBER Issuance of Bonds, the Company had, on 27 December 2016, entered into two separate option deeds with the 2016 DECEMBER Subscribers respectively, pursuant to which the Company granted the 2016 DECEMBER Subscribers a total of 740,740,740 share options (“**2016 DECEMBER Options**”), whereby each of the 2016 DECEMBER Subscribers is granted 370,370,370 2016 DECEMBER Options, with each 2016 DECEMBER Option carrying the right to subscribe for one new Share (“**2016 DECEMBER Option Share**”) at the exercise price of S\$0.0162 for each 2016 DECEMBER Option Share.

At the extraordinary general meeting (“**EGM**”) of the Company held on 10 February 2017, shareholders of the Company approved the grant of an aggregate of 370,370,370 2016 DECEMBER Options each to Mr. Low and Mr. Tee.

As at 31 March 2017, none of the 2016 DECEMBER Options was exercised. On 7 April 2017, the Company announced that an exercise notice was received from Mr. Tee to exercise 185,185,185 2016 DECEMBER Options Shares, together with the amount payable pursuant to the exercise of these Options of S\$3.0 million, in accordance with the Option Deed. The exercise of 185,185,185 2016 DECEMBER Options Shares was completed on 11 April 2017 and 185,185,185 2016 DECEMBER Options Shares were duly allotted and issued to Mr. Tee on the same day.

As at 31 March 2018, 555,555,555 2016 DECEMBER Options remained outstanding, out of which 370,370,370 2016 DECEMBER Options held by Mr. Low will expire on 29 December 2019, and 185,185,185 2016 DECEMBER Options held by Mr. Tee will expire on 18 January 2020.

(f) 2017 APRIL Option Shares

On 6 April 2017, the Company announced that it had, on 5 April 2017, entered into a subscription agreement (the “**2017 APRIL Subscription Agreement**”) with Mr Tang Boo Teck (“**Mr. Tang**”) (the “**2017 APRIL Subscriber**”), pursuant to which the 2017 APRIL Subscriber agreed to subscribe for bonds in aggregate principal amount of S\$2,000,000 to be issued by the Company (“**2017 APRIL Bonds**”) at a subscription price of 100% of the principal amount of the 2017 APRIL Bonds (“**2017 APRIL Issuance of Bonds**”). The 2017 APRIL Issuance of Bonds have an interest rate at 15% per annum, payable when the 2017 APRIL Bonds mature at the end of six months from the date of the 2017 APRIL Bonds are issued or such other date as may be agreed between the Company and the 2017 APRIL Subscriber. On 5 June 2017, the Company entered into a supplemental agreement with Mr. Tang to amend the repayment date from 6 October 2017 to 31 August 2018. All other terms in the 2017 APRIL Subscription Agreement remained unchanged.

In connection with the 2017 APRIL Issuance of Bonds, on 5 April 2017, the Company entered into an option deed with the 2017 APRIL Subscriber, pursuant to which the Company granted the 2017 APRIL Subscriber 200,000,000 share options (“**2017 APRIL Options**”), with each 2017 APRIL Option carrying the right to subscribe for one new Share (“**2017 APRIL Option Share**”) at the exercise price of S\$0.0216 for each 2017 APRIL Option Share.

As at 31 March 2018, none of the 2017 APRIL Options had been exercised. The 2017 APRIL Options will expire on 4 April 2020.

Save as disclosed above, the Company did not have any treasury shares, subsidiary holdings or other convertibles as at 31 March 2018 and 31 March 2017.

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 2018	As at 31 March 2017
Number of issued shares excluding treasury shares	1,797,792,986	1,612,607,801

The Company did not have any treasury shares as at 31 March 2018 and 31 March 2017.

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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 period as those applied in the preparation of the audited financial statements for the financial year ended 31 March 2017.

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 period/year.

	3 Months		12 Months	
	1 Jan 2018 to 31 Mar 2018	1 Jan 2017 to 31 Mar 2017	1 Apr 2017 to 31 Mar 2018	1 Apr 2016 to 31 Mar 2017
Net loss from continuing operations (\$'000)	560	998	3,381	5,784
Less: Net loss arising from discontinued operations (\$'000)	1,913	6,434	4,738	10,072
Net loss attributable to equity holders of the Company (\$'000)	2,473	7,432	8,119	15,856
Weighted average number of ordinary shares outstanding for basic loss per share	1,797,792,986	1,488,808,076	1,794,241,489	1,317,949,826
Basic Loss Per Share				
Basic loss per share from continuing operations (\$ cents)	0.03	0.07	0.19	0.44
Basic loss per share from discontinued operations (\$ cents)	0.11	0.43	0.26	0.76
Basic loss per share (\$ cents)	0.14	0.50	0.45	1.20*

Note: Figures do not tie arithmetically due to rounding

(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 had four categories of potentially dilutive ordinary shares, namely share options, share awards, convertible loan and call options as at 31 March 2018 and 31 March 2017. As at 31 March 2018, the Company has 760,255,555 potentially dilutive shares (31 March 2017: 887,285,007 potentially dilutive shares).

For the purpose of calculating diluted loss per share, the weighted average number of shares in issuance has been adjusted by the differences between the number of ordinary shares issued and the number of ordinary shares that would have been issued at the average market price of ordinary shares during the period shall be treated as an issue of ordinary shares for no consideration. The average market price of the Company in the financial year ended 31 March 2018 and three-month financial period ended 31 March 2018 was S\$0.01596 and S\$0.01631 respectively.

6. (Continued)

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

	3 Months		12 Months	
	1 Jan 2018 to 31 Mar 2018	1 Jan 2017 to 31 Mar 2017	1 Apr 2017 to 31 Mar 2018	1 Apr 2016 to 31 Mar 2017
Net loss from continuing operations (\$'000)	560	998	3,381	5,784
Less: Net loss arising from discontinued operations (\$'000)	1,913	6,434	4,738	10,072
Net loss attributable to equity holders of the Company (\$'000)	2,473	7,432	8,119	15,856
Weighted average number of ordinary shares outstanding for basic loss per share	1,797,792,986	1,488,808,076	1,794,241,489	1,317,949,826
Adjustments for dilutive options	3,626,772	666,666,666	-	166,412,988
Weighted average number of ordinary shares outstanding for diluted loss per share	1,801,419,758	2,155,474,742	1,794,241,489	1,484,362,814
Diluted Loss Per Share				
Basic loss per share from continuing operations (\$ cents)	0.03	0.05	0.19	0.39
Basic loss per share from discontinued operations (\$ cents)	0.11	0.30	0.26	0.68
Basic loss per share (\$ cents)	0.14	0.35*	0.45	1.07*

Note: Figures do not tie arithmetically due to rounding

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 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
No of ordinary shares	1,797,792,986	1,612,607,801	1,797,792,986	1,612,607,801
Net liability value per ordinary share (\$ cents)	0.28	0.06	0.32	0.26

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

Continuing operations

Following the disposal of Artimedia Group in August 2017 and cessation of CAT's business in February 2018, the Group does not have any business as at the date of this announcement. All discontinued operations had been separately disclosed in the Group's income statement. As such, the Group did not report any revenue and gross profit from the continuing operations in FY2018 and the three months ended 31 March 2018 ("**Q4FY2018**"). The corresponding comparative figures of Artimedia Group and CAT had been reclassified to discontinued operations.

In both FY2018 and Q4FY2018, the Group's expenses comprised mainly administrative expenses and finance cost.

In FY2018, administrative expenses comprise mainly staff cost (S\$1.1 million), rental expenses (S\$130k), SGX listing related expenses (S\$86k) and professional fees (S\$785k). In FY2018, finance cost amounted to S\$1.0 million. Finance cost in FY2018 was lower as compared to the previous financial year ended 31 March 2017 ("**FY2017**") mainly due to the repayment of convertible bond and bonds in FY2018.

In Q4FY2018, administrative comprise mainly staff cost (S\$153k), rental expenses (S\$30k), SGX listing related expenses (S\$21k) and professional fees (S\$84k). In Q4FY2018, finance cost of S\$194k arose from the bonds payable amounting to S\$6.9 million as at 31 March 2017 with coupon rates ranging from 10% to 15%.

Discontinued operations

Artimedia Group

In FY2018, the Group entered to an agreement to dispose of the entire share capital of Artimedia Group for S\$5.0 million (the "**Disposal**"). The Disposal was completed on 11 August 2017. The consideration for the Disposal of S\$5.0 million shall be payable in three tranches as follows:

- a. S\$3.00 million payable at completion on 11 August 2017 ("**First Tranche Consideration**") which the Group received accordingly;
- b. S\$1.00 million payable within 6 months from Completion ("**Second Tranche Consideration**") which the Group received accordingly; and
- c. S\$1.00 million payable within 12 months from Completion ("**Third Tranche Consideration**") and is due in August 2018.

In FY2018, Artimedia Group incurred a loss of S\$810k.

CAT

On 25 October 2017, the Company announced that CAT had decided not to renew the contract manufacturing agreement with its sole customer. This was mainly due to the slowdown in the hard disk drive industry and CAT's business was no longer a commercially viable business.

In Q4FY2018 and FY2018, CAT incurred a loss of S\$1.9 million and S\$3.9 million respectively.

8. (Continued)

Statement of Financial Position

Net Liabilities

The Group's net liabilities increased from S\$0.9 million as at 31 March 2017 to S\$5.0 million as 31 March 2018. This was due mainly to the loss of S\$8.1 million incurred in FY2018, partially offset by an increase in share capital of S\$3.0 million (after deducting share issue expenses of S\$10k) and other comprehensive income gain of S\$1.1 million. The increase in share capital arose from the exercise of 185,185,185 2016 December Option Shares by a bond holder of the 2016 DECEMBER Bonds. Gains in other comprehensive income arose from translation gain of CAT's net assets due to the strengthening of THB against SGD during FY2018.

Property, plant and equipment

Property, plant and equipment decreased by S\$2.7 million in FY2018 mainly due to the impairment charges of CAT's property, plant and equipment of S\$2.2 million and depreciation charge of S\$501k in FY2018.

Convertible loan

Convertible loan and bonds payable decreased from S\$12.7 million as at 31 March 2017 to S\$6.9 million at 31 March 2018. This was due to the repayment of US\$4.0 million made in April 2017 and the payment of S\$2.3 million in August 2017, partially offset by an additional bond issued in April 2017 amounting to S\$2.0 million.

Consolidated Statement of Cash Flows

The Group's cash and cash equivalent decreased by S\$1.8 million in FY2018 due mainly to the followings:

- Net cash used in operating activities for FY2018 amounted to S\$2.3 million due mainly to losses incurred by the Group.
- Net cash generated from investing activities for FY2018 amounted to S\$4.0 million due mainly to the payment of the first two tranches of payment arising from the disposal of Artimedia Group.
- Net cash used in financing activities for FY2018 amounted to S\$3.5 million. This was due mainly to repayment of convertible loan and bonds amounting to S\$7.8 million and interest payment amounting to S\$628k, partially offset by proceeds of S\$3.0 million received from the exercise of 185,185,185 2016 DECEMBER Option Shares and additional bond issued amounting to S\$2.0 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.

Following the Company's announcement on 31 October 2017 ("**HOA Announcement**"), the Company had announced on 2 May 2018 that it had entered into a conditional sale and purchase agreement with Mobile Credit Payment Pte. Ltd., an established provider for electronic solutions in Asia Pacific. If the acquisition is successfully completed, it will result in a reverse take-over. The Company will make the necessary announcement when there are any material developments on the transaction.

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

Use of net proceeds from the Disposal

On 11 August 2017, the Company completed the Disposal and received the First Tranche Consideration of S\$3.00 million. On 8 February 2018, the Company received the Second Tranche Consideration of S\$1.00 million. As at the date of this announcement, the Company had received S\$4.00 million out of the total consideration of S\$5.00 million in respect of the Disposal.

The following is a summary of the use of the net proceeds from the First Tranche Consideration and the Second Tranche Consideration:

	<u>S\$' million</u>
Balance as at announcement dated 9 February 2018	0.06
Net proceeds from the Second Tranche Consideration	1.00
Use of net proceeds	
Amount utilised for working capital purposes	
- Administrative expenses	(0.34)
- Legal and professional fees	(0.30)
Balance as at the date of this announcement	<u>0.42</u>

The Company will make the necessary announcements as and when the balance of the net proceeds is materially disbursed.

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.

Not relevant, as the Company is deemed as cash company under Rule 1017 of the Catalist Rules.

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.

Not applicable.

17. A breakdown of sales.

Not applicable.

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.

There is no person occupying a managerial position in the Group who is a relative of a director, chief executive officer, or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules.

20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirmed that all the required undertakings under the Rule 720(1) of the Catalist Rules have been obtained from its Directors and Executive Officers in the format set out in Appendix 7H of the Catalist Rules.

BY ORDER OF THE BOARD

Harry Ng

Non-Executive Chairman and Independent Director

30 May 2018