

IMPORTANT CAUTIONARY NOTE:

The financial results disclosed in this announcement include finance information provided by the Company's subsidiaries, namely DMX Technologies (Hong Kong) Limited and DMX Technologies (Macao Commercial Offshore) Limited (collectively, the "**Affected Subsidiaries**").

As disclosed in the announcement made by the Company on 24 March 2015 in relation to the Company's request for suspension of trading in its shares, the findings (the "**Findings**") of the Company's Hong Kong legal counsel (the "**HK Counsel**") appointed to conduct an investigation into the subject matter of the ongoing investigations by the Commercial Crime Bureau of the Hong Kong Police Force (the "**Initial Investigations**") brought up certain issues which affect the completion and audit of the Company's financial statements for the year ended 31 December 2014. The Initial Investigations revealed that there were irregular accounting practices at the Affected Subsidiaries in 2008 and 2009.

In addition to the above, the Company wishes to highlight that the financial results disclosed in this announcement are subject to the background and limitations relating to the preparation of the financial statements as set out below ("**Limitations**"):

- (a) The Company highlighted the following issues in the announcement dated 12 May 2015:
 - (i) there is uncertainty in relation to account receivables arising from past transactions amongst the Company, and its clients and vendors, and the possibility of such account receivables not being collectible; and
 - (ii) there is uncertainty in relation to the asset values recorded in respect of supplies, tangible and intangible fixed assets of the Company in connection with such transactions.
- (b) As such, the Company further expanded the scope of the Initial Investigations (the "**Expanded Investigations**") and in addition to the HK Counsel, engaged an independent, external accounting investigation team to conduct independent forensic investigative procedures relating to the Expanded Investigations.
- (c) As disclosed in the announcement dated 22 April 2016 (the "**April Announcement**"), the Company released a report (the "**Disclosure Report**") based on the Findings. As stated on page R-12 of the Disclosure Report, the unaudited account receivables and other receivables for the financial year ended 31 December 2014 ("**FY2014**") amounted to approximately US\$378 million, of which US\$140 million and US\$190 million are due to the Company from Beijing Hantz Development and Winscom Guangzhou Technologies Company Limited, respectively. Despite the best efforts of the Company, the Company is uncertain as to the collectability of these account receivables. Further, the unaudited tangible and intangible fixed assets attributable to the Transactions in Question ("**TIQ**") (as defined in the Disclosure Report) for FY2014 amounting to US\$28 million remains unsubstantiated due to the lack of documentary evidence of the TIQ.
- (d) Pursuant to the findings of the Initial Investigations as disclosed in the April Announcement, the Company made corresponding adjustments to the FY2014 Financial Statements, the financial statements for the first quarter ended 31 March 2015, the financial statements for the second quarter ended 30 June 2015, the financial statements for the third quarter ended 30 September 2015 and the financial statements for the financial year ended 31 December 2015 ("**FY2015**"), to reflect the impact of the TIQ on the Group's results and financial position based on the Group accounting policies which follow the relevant international

accounting standards (the "**Accounting Adjustments**"). The key financial statement line items affected by the Accounting Adjustments include revenue, accounts receivable, costs of sales, accounts payable, property, plant and equipment, and intangible assets. The Accounting Adjustments were made subject to the audit by the independent auditor of the Company, PricewaterhouseCoopers LLP Singapore ("**PwC**").

- (e) The Company subsequently issued its annual reports for FY2014, FY2015 and the financial year ended 31 December 2016 ("**FY2016**") on 16 January 2018, containing the audited financial statements of the Company and its subsidiaries (the "**Group**") for FY2014, FY2015 and FY2016 (collectively, the "**Audited Financial Statements**"), and had also released a separate announcement on even date disclosing that PwC, had issued a disclaimer of opinion in its Independent Auditor's Report in relation to the Audited Financial Statements. The Independent Auditor's Report states, among others, that based on the significance of the matters described in the Basis for Disclaimer of Opinion sections in the Independent Auditor's Report, PwC has not been able to obtain sufficient appropriate audit evidence to provide a basis for an auditor opinion and accordingly does not express an opinion on the Audited Financial Statements. Please refer to the announcements on 16 January 2018 for further details on the Independent Auditor's Report.
- (f) The Company has also released an announcement on 22 January 2018 disclosing that there are material variances between the announcements previously released via SGXNET on the unaudited full year financial statements for FY2014 and FY2015 on 30 December 2016 and FY2016 on 31 March 2017 and the Audited Financial Statements, on the Company level but not on the Group consolidated account level. The material variances result from adjustments which were made following the finalisation of the audit for the FY2014, FY2015 and FY2016 financial statements.
- (g) As the closing balances and figures in the audited FY2016 Financial Statements serve as the opening balances and figures in the financial statements for the year ended 31 December 2017 ("**FY2017**"), the adjustments will continue to have an impact on the financial statements for FY2017.
- (h) Shareholders should note that the financial results disclosed in this announcement have not been reviewed or audited by PwC.

GIVEN THE ABOVE, THE BOARD OF DIRECTORS WISHES TO ADVISE THAT INVESTORS ACT WITH CAUTION AND TAKE INTO CONSIDERATION THE ABOVE-MENTIONED LIMITATIONS WHEN REVIEWING THE FINANCIAL STATEMENTS.

UNAUDITED FULL YEAR 2017 FINANCIAL STATEMENTS

1(a) Statements of Comprehensive Income (for the group) together with comparative statements for the corresponding period of the immediately preceding financial year

	Group			Group			Note 1
	4Q 2017 US\$'000	4Q 2016 US\$'000	Change %	Full Yr 2017 US\$'000	Full Yr 2016 US\$'000	Change %	3Q 2017 US\$'000
Revenue	5,580	36,528	-84.72%	44,288	104,932	-57.79%	8,969
Cost of sales	(3,641)	(27,886)	86.94%	(32,084)	(82,597)	61.16%	(5,613)
Gross profit	1,939	8,642	-77.56%	12,204	22,335	-45.36%	3,356
Gross profit %	34.75%	23.66%	11.09%	27.56%	21.29%	6.27%	37.42%
Other operating income	313	553	-43.40%	556	1,506	-63.08%	95
Distribution costs	(1,361)	(1,348)	-0.96%	(7,319)	(10,821)	32.36%	(1,700)
Administrative expenses [Note 2]	(539)	(3,826)	85.91%	(12,856)	(12,980)	0.96%	(8,275)
Other operating expenses	(703)	(5,618)	87.49%	(1,240)	(6,005)	79.35%	(691)
Finance costs		(352)	100.00%	(269)	(1,343)	79.97%	(43)
Loss before income tax	(351)	(1,949)	81.99%	(8,924)	(7,308)	-22.11%	(7,258)
Income tax expense	(109)	60	-281.67%	(1,057)	(794)	-33.12%	(712)
Loss for the period/year	(460)	(1,889)	75.65%	(9,981)	(8,102)	-23.19%	(7,970)
Loss attributable to:							
Owners of the company	(374)	(2,571)	85.45%	(8,358)	(9,428)	11.35%	(6,258)
Non-controlling interests	(86)	682	-112.61%	(1,623)	1,326	-222.40%	(1,712)
Loss for the period/year	(460)	(1,889)	75.65%	(9,981)	(8,102)	-23.19%	(7,970)
PAT margin	-8.24%	-5.17%		-22.54%	-7.72%		-88.86%
Other comprehensive income (loss):							
Exchange differences arising on translation of foreign operations	(932)	472	-297.46%	(1,291)	158	-917.09%	(5)
Release of exchange reserve upon disposal of a subsidiary [Note 2(a)]				4,587			4,587
Other comprehensive income (loss) for the period/year	(932)	472	-297.46%	3,296	158	1986.08%	4,582
Total comprehensive loss for the period/year	(1,392)	(1,417)	1.76%	(6,685)	(7,944)	15.85%	(3,388)
Total comprehensive loss attributable to:							
Owners of the company	(1,447)	(2,099)	31.08%	(7,038)	(9,270)	24.08%	(3,511)
Non-controlling interests	55	682	-91.99%	353	1,326	-73.41%	123
Total comprehensive loss for the period/year	(1,392)	(1,417)	1.76%	(6,685)	(7,944)	15.85%	(3,388)

Note 3

	Group			Group			Note 1
	4Q	4Q		Full Yr	Full Yr		3Q
	2017	2016	Change	2017	2016	Change	2017
	US\$'000	US\$'000	%	US\$'000	US\$'000	%	US\$'000
Interest income	17	17		47	39	20.51%	13
Interest expenses		(352)	100.00%	(269)	(1,343)	79.97%	(43)
Net foreign exchange (loss) gain	492	(522)	194.25%	777	90	763.33%	(242)
Release of exchange reserve upon disposal of a subsidiary [Note 2(a)]				(4,587)			(4,587)
(Increase) decrease in allowance for doubtful trade receivables	(174)	(840)	79.29%	(97)	(647)	85.01%	86
Reversal of allowance for obsolete inventories	47	(28)	267.86%	150	(82)	282.93%	(69)
Amortisation expenses	(3)	(147)	97.96%	(16)	(629)	97.46%	(4)
Depreciation expenses	(65)	(268)	75.75%	(641)	(1,154)	44.45%	(158)
Fair value change of other financial assets							
Loss on write off of property, plant and equipment	(2)	(317)	99.37%	(2)	(342)	99.42%	
(Loss) gain on disposal of property, plant and equipment	(17)	(9)	-88.89%	(13)	733	-101.77%	
Gain on disposal of a subsidiary							(117)
Bad debt written off	(245)	(583)	100.00%	(245)	(602)	-100.00%	
Stock written off	(88)	(200)	56.00%	(88)	(200)	-56.00%	
Impairment loss - Intangible assets	(14)	1,563	-100.90%	(14)	1,563	-100.90%	
Impairment loss - Goodwill		2,000	-100.00%		2,000		

Note 1: 3Q2017 Profit and loss statement is used for comparison purpose.

Note 2: Non-ordinary Administrative expenses of Total US\$8.1 million is included in "Administrative Expenses".

	Full Yr 2017 US\$ million
(a) Release of exchange reserve upon disposal of a subsidiary	4.6
(b) Auditor's Fee including the provision of extended scope Audit for FY2014-FY2016 and FY2017	1.9
(c) Professional advisory fee upon disposal of a subsidiary	0.8
(d) Restructuring costs in China	0.8
Total	8.1

Note 3: The figures for total comprehensive loss relating to (i) Owners of the company; and (ii) Non-controlling interest, differ from that previously announced on 14 November 2017 for the unaudited financial statements for 3Q2017 due to a calculation error. The figures have been revised as a result of an adjustment on the non-controlling interest portion based on the release of exchange reserves of US\$4,587,000 upon disposal of a subsidiary. For the avoidance of doubt, there is no change to the total comprehensive loss for the period.

1(b) (i) Statements of Financial Position (for the issuer and group) together with comparative statements as at the end of the immediately preceding financial year

Statements of Financial Position

Statements of Financial Position	The Group			The Company	
	31-Dec-17 US\$'000	31-Dec-16 US\$'000	30-Sep-17 US\$'000	31-Dec-17 US\$'000	31-Dec-16 US\$'000
ASSETS					
Current assets:					
Cash and cash equivalents	8,675	6,174	8,863	115	364
Pledged bank deposits	463	1,037	454	-	-
Trade receivables	5,587	29,789	6,410	-	-
Other receivables, deposits and prepayments	3,703	7,851	4,051	7,839	8,919
Tax recoverable	112	60	100	-	-
Held for trading investments	-	14	14	-	-
Inventories	2,525	18,901	3,975	-	-
Total current assets	21,065	63,826	23,867	7,954	9,283
Non-current assets:					
Property, plant and equipment	386	3,475	455	-	-
Goodwill	2,000	2,700	2,000	-	-
Intangible assets	35	62	52	-	-
Investments in subsidiaries	-	-	-	-	-
Deferred tax assets	181	434	175	-	-
Other receivable	563	-	563	-	-
Total non-current assets	3,165	6,671	3,245	-	-
Total assets	24,230	70,497	27,112	7,954	9,283
LIABILITIES AND EQUITY					
Current liabilities:					
Bank loans	-	9,637	-	-	-
Trade payables	2,962	20,618	3,138	-	-
Other payables	8,745	13,092	10,008	1,290	766
Tax payables	353	2,137	260	-	-
Current portion of finance lease payables	-	37	-	-	-
Total current liabilities	12,060	45,521	13,406	1,290	766

Statements of Financial Position	The Group			The Company	
	31-Dec-17 US\$'000	31-Dec-16 US\$'000	30-Sep-17 US\$'000	31-Dec-17 US\$'000	31-Dec-16 US\$'000
Non-current liabilities:					
Bank loans	-	1,363	-	-	-
Finance lease payables	-	22	-	-	-
Deferred tax liabilities	-	-	-	-	-
Total non-current liabilities	-	1,385	-	-	-
Capital, reserves and non-controlling interests:					
Share capital	58,427	58,427	58,427	58,427	58,427
Share premium	194,331	194,331	194,331	194,331	194,331
Treasury shares	(1,138)	(1,138)	(1,138)	(1,138)	(1,138)
Contributed surplus	1,534	1,534	1,534	1,534	1,534
Legal reserve	7	7	7	-	-
Foreign currency translation reserve	1,357	37	2,641	-	-
Share option reserve	453	453	453	453	453
Accumulated loss	(242,801)	(234,443)	(242,549)	(246,943)	(245,090)
Equity attributable to owners of the Company	12,170	19,208	13,706	6,664	8,517
Non-controlling interests	-	4,383	-	-	-
Total equity	12,170	23,591	13,706	6,664	8,517
Total liabilities and equity	24,230	70,497	27,112	7,954	9,283

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

Group Borrowings and Debts securities		
	Group	
	As at 31 Dec 2017 US\$'000	As at 31 Dec 2016 US\$'000
<u>Amounts repayable in one year or less, or on demand</u>		
Unsecured	-	-
Secured	-	9,674
	-	9,674
<u>Amounts repayable after one year</u>		
Unsecured	-	-
Secured	-	1,385
	-	1,385

Details of any collateral:

As at 31 December 2017, the Group and the Company respectively have:

(1) pledged bank deposits of US\$463,364 (31 Dec 2016: US\$1,036,904) and Nil (31 Dec 2016: Nil)

(2) pledged held for trading investments of Nil (31 Dec 2016: US\$13,456) and Nil (31 Dec 2016: Nil)

(c) Statements of Cash Flows (for the group, together with comparative statements for the corresponding period of the immediately preceding financial year

Statements of Cash Flows

	4Q 2017 US\$ '000	4Q 2016 US\$ '000	Full Yr 2017 US\$ '000	Full Yr 2016 US\$ '000	Note 1 3Q 2017 US\$ '000
Operating activities:					
Loss before income tax	(351)	(1,949)	(8,924)	(7,308)	(7,258)
Adjustments for:					
Amortisation expense	3	147	16	629	4
Depreciation expense	65	268	641	1,154	158
Interest expenses	-	352	269	1,343	43
Release of exchange reserve upon disposal of a subsidiary	-	-	4,587	-	4,587
Decrease (increase) in allowance for doubtful trade receivables	174	840	97	647	(86)
Reversal of allowance for obsolete inventories	(47)	28	(150)	82	69
Fair value change of other financial assets	-	-	-	-	-
Loss on write off of property, plant and equipment	2	317	2	342	-
Loss (gain) on disposal of property, plant and equipment	17	9	13	(733)	-
Gain on disposal of a subsidiary	-	-	(117)	-	(117)
Bad debt written off	245	583	245	602	-
Stock written off	88	200	88	200	-
Prior year adjustment	208		208	-	
Interest income	(17)	(17)	(47)	(39)	(13)
Impairment loss - Intangible assets	14	1,563	14	1,563	-
Impairment loss - goodwill	0	2,000	-	2,000	-
Operating cash flows before movements in working capital	401	4,341	(3,058)	482	(2,613)
(Increase) decrease in trade receivables	435	(2,366)	16,048	6,580	(649)
Decrease in other receivables, deposits and prepayments	(377)	877	(3,289)	802	(1,766)
Decrease (increase) in inventories	1,376	5,492	5,473	1,182	(972)
Increase (decrease) in trade payables	(176)	450	(8,048)	(7,058)	(132)
(Decrease) increase in other payables	(1,263)	(426)	(1,643)	362	293
Cash from (used in) operating activities	396	8,368	5,483	2,350	(5,839)
Income taxes paid	(51)	(123)	(750)	(277)	(586)
Interest paid	-	(352)	(269)	(1,343)	(43)
Interest received	17	17	47	39	13
Net cash from (used in) operating activities	362	7,910	4,511	769	(6,455)

	4Q 2017 US\$ '000	4Q 2016 US\$ '000	Full Yr 2017 US\$ '000	Full Yr 2016 US\$ '000	Note 1 3Q 2017 US\$ '000
Investing activities:					
Addition to intangible assets	-	-	-	(2)	-
(Purchase) of property, plant and equipment	(4)	(14)	(216)	(740)	(71)
Decrease (increase) in pledged bank deposits	(10)	708	107	1,033	234
Proceeds on disposal of property, plant and equipment	14	8	14	755	-
Proceeds on disposal of a subsidiary	-	-	6,639	-	6,639
Net cash from (used in) investing activities	-	702	6,544	1,046	6,802
Financing activities:					
Repayment of bank loans	-	(8,167)	(7,668)	(39,526)	(389)
Decrease in trust receipts loans	-	-	-	-	-
Repayment of finance leases	-	(34)	(24)	(50)	(6)
New bank loans raised	-	816	542	33,150	-
Dividend paid to non-controlling interests	-	-	(527)	(247)	(527)
Net cash (used in) from financing activities	-	(7,385)	(7,677)	(6,673)	(922)
Net effect of exchange rate changes on the balance of cash held in foreign currencies / other adjustments	(546)	180	(877)	207	24
Net increase (decrease) in cash and cash equivalents	(188)	1,407	2,501	(4,651)	(551)
Cash and cash equivalent at beginning of period/year	8,863	4,767	6,174	10,825	9,414
Cash and cash equivalent at end of period/year	8,675	6,174	8,675	6,174	8,863

Note 1: 4Q2016 cash flows is used for comparison purposes.

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

Statements of Changes in Equity

GROUP	Share capital	Share premium	Treasury shares	Contributed surplus	Legal reserve	Foreign currency translation reserve	Share Option reserve	Accumulated loss	Total	Non-controlling interests	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Other comprehensive income for the year:	-	-	-	-	-	(1,291)	-	-	(1,291)	-	(1,291)
Release of exchange reserve upon disposal of a subsidiary	-	-	-	-	-	4,587	-	-	4,587	-	4,587
Total comprehensive income (loss) for the year	-	-	-	-	-	3,296	-	(8,355)	(5,062)	(1,623)	(6,685)
Dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
Disposal of a subsidiary	-	-	-	-	-	(1,834)	-	-	(1,834)	-	(1,834)
Adjustments	-	-	-	-	-	(141)	-	-	(141)	(2,760)	(2,901)
Balance at 31 Dec 2017	58,427	194,331	(1,138)	1,534	7	1,358	453	(242,801)	12,170	-	12,170
Balance at 1 Jan 2016	58,427	194,331	(1,138)	1,534	7	(121)	453	(225,015)	28,478	3,551	32,029
Loss for the year	-	-	-	-	-	-	-	(9,428)	(9,428)	1,326	(8,102)
Other comprehensive loss for the year	-	-	-	-	-	158	-	-	158	-	158
Total comprehensive loss for the year	-	-	-	-	-	158	-	(9,428)	(9,270)	1,326	(7,944)
Adjustments	-	-	-	-	-	-	-	-	-	(494)	(494)
Balance at 31 Dec 2016	58,427	194,331	(1,138)	1,534	7	37	453	(234,443)	19,208	4,383	23,591

COMPANY	Share capital	Share premium	Treasury shares	Contributed surplus	Legal reserve	Foreign currency translation reserve	Share Option reserve	Accumulated loss	Total	Non-controlling interests	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 Jan 2017	58,427	194,331	(1,138)	1,534	-	-	453	(201,015)	52,592	-	52,592
Loss for the year	-	-	-	-	-	-	-	(1,853)	(1,853)	-	(1,853)
Total comprehensive loss for the year	-	-	-	-	-	-	-	(1,853)	(1,853)	-	(1,853)
Adjustment	-	-	-	-	-	-	-	(44,075)	(44,075)	-	(44,075)
Balance at 31 Dec 2017	58,427	194,331	(1,138)	1,534	-	-	453	(246,943)	6,664	-	6,664
Balance at 1 Jan 2016	58,427	194,331	(1,138)	1,534	-	-	453	(199,785)	53,822	-	53,822
Loss for the year	-	-	-	-	-	-	-	(1,230)	(1,230)	-	(1,230)
Total comprehensive loss for the year	-	-	-	-	-	-	-	(1,230)	(1,230)	-	(1,230)
Balance at 31 Dec 2016	58,427	194,331	(1,138)	1,534	-	-	453	(201,015)	52,592	-	52,592

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 purposes 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 end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital Changes

Share Capital Changes	No. of shares	US\$'000
Ordinary shares of US\$0.05 each at 1 January 2017 and 31 December 2017	1,168,546,867	58,427

Treasury Shares Changes

	No. of shares	US\$'000
Balance as at 1 January 2017 and 31 December 2017	5,152,125	1,138

Share Options & Contingent Shares

As at 31 December 2016, the following Employee Share Options remained outstanding:						
<u>Date of grant</u>	<u>Exercise Period</u>	<u>Exercise price per share</u>	<u>Balance at beginning of year</u>	<u>Total exercised</u>	<u>Total cancelled</u>	<u>Balance outstanding as at 31 Dec 17</u>
25 April 2008	24 April 2009 to 25 April 2018	S\$0.226	3,886,858	-	-	3,886,858
28 November 2008	27 November 2009 to 28 November 2018	S\$0.093	7,471,000	-	-	7,471,000
Total			11,357,858	-	-	11,357,858

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 financial year.

	31-Dec-17	31-Dec-16
No. of shares issued	1,163,394,742	1,163,394,742

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 December 2017.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. Singapore Standard on Auditing 910, Engagements to Review Financial Statements, or an equivalent standard).

The figures have not been audited or reviewed.

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

The figures have not been audited or reviewed.

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 accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements as at 31 December 2016.

However, please refer to the Limitations set out in the "Important Cautionary Note".

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.

Please refer to the Limitations set out in the "Important Cautionary Note".

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

Earnings per share		The Group			
		4Q 2017	4Q 2016	Full Yr 2017	Full Yr 2016
Based on the weighted average number of ordinary shares on issue (US cents)	Note 1	-0.03	-0.22	-0.72	-0.81
On fully diluted basis (US Cents)	Note 2	-0.03	-0.22	-0.72	-0.81

Note 1) The weighted average number of ordinary shares in issue for 4Q2017 and FY2017: 1,163,394,742 (4Q2016 and FY2016: 1,163,394,742).

Note 2) The earnings per share on a fully diluted basis are calculated on the adjusted average number of ordinary shares for 4Q2017 and FY2017: 1,163,394,742 (4Q 2016 and FY2016: 1,163,394,742).

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 period reported on and (b) immediately preceding financial year.

Net asset value per share	The Group		The Company	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Net asset value per ordinary share (US cents)	1.05	1.65	0.57	4.52
Net asset value per ordinary share as at 31 December 2017 and 31 December 2016 are also calculated based on share capital of the Company of 1,163,394,742 shares.				

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statements of Comprehensive Income

The following paragraphs should be read in conjunction with our Statements of Comprehensive Income for year ended 31 December 2017 as presented on Section 1(a) of this document.

Revenue

Business Divisions	Business Segments	4Q 2017	4Q 2016	YOY	Full Yr 2017	Full Yr 2016	YOY
		US\$m	US\$m	%	US\$m	US\$m	%
ICT	ICT Solutions	3.9	26.3	-85.2	29.9	77.2	-61.3
	Services / Software	1.5	10.0	-85.0	12.3	26.5	-53.6
	Sub-total	5.4	36.3	-85.1	42.2	103.7	-59.3
	as % of overall sales	96.4%	99.5%		95.3%	99.0%	
Digital Media (TV related)	Digital Media Solutions	0.20	0.2	0.0	2.1	1.1	90.9
	as % of overall sales	3.6%	0.5%		4.7%	1.0%	
Mobile Solution Services	Mobile Solution Services	0.0	0.0		0.0	0.0	
	as % of overall sales	0.0%	0.0%		0.0%	0.0%	
Total		5.6	36.5	-84.7	44.3	104.8	-57.7

Overview

The Group recorded a 57.8% year-on-year ("yoy") decrease in revenue from US\$104.8 million in FY2016 to US\$44.3 million in FY2017. The main reason for the decrease was the disposal of the subsidiary in Indonesia and the restructuring of group operations.

ICT

The Group's "ICT" division revenue decreased 59.3% yoy from US\$103.7 million in FY2016 to US\$42.2 million in FY2017 which accounts for most part (95.3%) of the Group's total revenue. The "Services / Software" segment has also decreased from US\$26.5 million in FY2016 to US\$12.3 million in FY2017 of which contribution to ICT division has been increased from 25.6% in FY2016 to 29.1% in FY2017.

Digital Media & Mobile Solution Services

The Group's "Digital Media" division increased the revenue from US\$1.1 million in FY2016 to US\$2.1 million in FY2017 with 90.9% yoy due to the completion of existing ordered projects in China. The Group Digital Media & Mobile Solution Services business did not register new sales orders during FY2017.

Geographical Segment	4Q	4Q	YOY	Full Yr	Full Yr	YOY
	2017	2016		2017	2016	
	US\$m	US\$m		US\$m	US\$m	
China	0.3	2.8	-89.3	5.8	15.1	-61.6
<i>as % of overall sales</i>	5.4%	7.7%		13.1%	14.4%	
Indonesia	0.0	28.9	-100.0	27.1	76.0	-64.3
<i>as % of overall sales</i>	0.0%	79.2%		61.2%	72.4%	
Others	5.3	4.8	10.4	11.4	13.8	-17.4
<i>as % of overall sales</i>	94.6%	13.1%		25.7%	13.2%	
Total	5.6	36.5	-84.7	44.3	104.9	-57.8

Revenue from "China" region decreased -61.6% yoy to US\$5.8 million in FY2017 due to the restructuring of China operation. As a result, China's contribution reduced to 13.1% of the Group's total revenue for FY2017.

Revenue from "Indonesia" decreased -64.3% yoy to US\$27.1 million in FY2017 due to the disposal of the subsidiary in Indonesia in September 2017. Indonesia's contribution also decreased to 61.2% in FY2017 of the Group's total revenue.

Revenue from "Others" outside of "China" and "Indonesia" also recorded the decrease of 17.4% yoy to US\$11.4 million in FY2017 since the revenue decrease of restructured business outweighed the increase of viable business such as Malaysia. As a result, revenue contribution from "Others" increased to 25.7% of the Group's total revenue in FY2017.

Gross Margin

Gross margin ratio has increased from 21.29% in FY2016 to 27.56% in FY2017 due to the increase of higher margin business composition ratio among the Group after the group restructuring.

Total Operating Expenses

The Group's total operating expenses decreased from US\$29.8 million in FY2016 to US\$21.4 million in FY2017 which includes Non-ordinary administrative expenses of US\$8.1 million.

Loss Before Tax

The Group's loss before tax was US\$8.9 million in FY2017 following the loss before tax of US\$7.3 million in FY2016 mainly as a result of the Non-ordinary administrative expenses as mentioned above.

Statements of Financial Position

The following paragraphs should be read in conjunction with our Statements of Financial Position as at 31 December 2017 as presented in Section 1(b) (i) of this document.

Total current assets decreased by US\$42.7 million to US\$21 million as at 31 December 2017 compared to the last year end unaudited figures. This was largely due to the net impact from:-

- US\$2.5 million increase in cash and cash equivalents to US\$8.7 million;
- US\$0.5 million decrease in pledged bank deposits;
- US\$24.2 million decrease in trade receivables to US\$5.6 million;
- US\$4.1 million decrease in other receivables, deposits and prepayments to suppliers; and
- US\$16.4 million decrease in indent inventories.

Aging of total trade receivables are as follows:-

	0-180 days	181-360 days	361-540 days	Over 540 days
31 December 2017	40%	20%	2%	39%
30 September 2017	41%	15%	4%	40%
30 June 2017	71%	3%	5%	21%
31 March 2017	78%	4%	8%	10%
31 December 2016	79%	7%	5%	9%

Non-current assets decreased by US\$3.5 million to US\$3.2 million as of 31 December 2017 as capital expenditure on property, plant and equipment amounting to US\$3.0 million and intangible assets were much less than the depreciation and amortization expenses during the year.

Total current liabilities also decreased by US\$33.5 million to US\$12.0 million as at 31 December 2017. This was due mainly to 1) repayment of bank loans of US\$9.6 million, 2) a US\$22.0 million decrease in "trade & other payables", and 3) a US\$1.8 million decrease in "tax payable".

As at 31 December 2017, the Group's equity attributable to shareholders decreased by US\$7.0 million to US\$12.2 million is mainly due to the operational loss incurred during FY2017.

Statements of Cash Flows

The following paragraphs should be read in conjunction with our Statements of Cash Flows as of 31 December 2016 as presented in Section 1(c) of this document.

The Group generated US\$5.3 million of cash in operating activities in FY2017 compared to US\$0.8 million in FY2016. The Group experienced a decrease of trade and other receivable at US\$13.7 million in FY2017 compared to the decrease at US\$7.4 million in FY2016; and also the decrease in inventories by US\$5.4 million compared to the increase of US\$1.2 million in FY2016; and also the decrease of trade and other payable at US\$9.7 million compared to the decrease of US\$6.7 million in FY2016.

The Group generated US\$6.5 million of cash in investing activities for FY2017 as compared to US\$1 million cash generated in FY2016 mainly due to the disposal of subsidiary in FY2017.

The Group had utilized the cash in financing activities amounting US\$7.7 million in FY2017 compared to US\$6.7 million in FY2016 due to that the "Repayment of bank loans" in FY2017 compared to FY2016.

As a result of the above activities, the Group recorded an increase in cash and cash equivalents at US\$2.5 million in FY2017 compared to the decrease of US\$4.6 million in FY2016.

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

Not applicable.

10. A commentary at the date of the announcement of the 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.

As announced on 15 January 2018, the board of directors has assessed the current situation of the company and has proposed placing the Company under creditors' voluntary liquidation for the best interest of shareholders and other stakeholders, for the reasons set out in the announcement. The Company will be convening a special general meeting for the purposes of initiating the creditors' voluntary liquidation and will be releasing further details in due course.

11. Dividend

- a. Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No.

Name of dividend	Not Applicable
Dividend Type	Not Applicable
Dividend amount per share (in S\$ cents)	Not Applicable
Tax Rate	Not Applicable

- b. Corresponding Period of the immediately preceding financial year.

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

Name of dividend	Not Applicable
Dividend Type	Not Applicable
Dividend amount per share (in S\$ cents)	Not Applicable
Tax Rate	Not applicable

c. Date payable

Not Applicable.

d. Books Closure date.

Not Applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared / recommended.

13. 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.

Name of interested person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
<u>Transactions for the sales of goods and services</u> KDDI Corporation and/or its Associates	-	US\$0.2m
<u>Transactions for the purchase of goods and services</u> KDDI Corporation and/or its Associates	-	-
Total Interested Person Transactions	-	US\$0.2m

14. Negative confirmation pursuant to Rule 705(5)

Not applicable.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

	ICT Solutions	Services / Software	Digital Media Solutions	Mobile Solution Services	TOTAL
2017	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
REVENUE	29,852	12,282	2,146	8	44,288
RESULT					
Segment Result	6,435	5,326	394	49	12,204
Unallocated other operating income					556
Unallocated corporate expenses					(22,089)
Finance costs					(269)
Loss before income tax					(9,598)
ASSETS					
Segment assets	34,781	1,544	5,366	161	41,852
Unallocated corporate assets					(17,622)
Consolidated total assets					24,230
LIABILITIES					
Segment liabilities	22,519	1,000	3,474	104	27,097
Unallocated corporate liabilities					-15,037
Consolidated total liabilities					12,060
2016	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
REVENUE	77,216	26,530	1,085	101	104,932
RESULT					
Segment Result	10,940	11,405	(43)	33	22,335
Unallocated other operating income					1,506
Unallocated corporate expenses					(29,806)
Finance costs					(1,343)
Loss before income tax					(7,308)

2016	ICT Solutions	Services / Software	Digital Media Solutions	Mobile Solution Services	TOTAL
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Segment assets	44,326	1,968	6,839	205	53,338
Unallocated corporate assets					17,159
Consolidated total assets					70,497
LIABILITIES					
Segment liabilities	20,677	918	3,190	96	24,881
Unallocated corporate liabilities					22,025
Consolidated total liabilities					46,906

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

Please refer to Clause 8 above.

GEOGRAPHICAL SEGMENTS				
	<u>Revenue from external customers</u>		<u>Non-current assets</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	US\$'000	US\$'000	US\$'000	US\$'000
China (including Hong Kong and Macao)	5,794	15,100	51	2,256
Indonesia	27,105	75,991	2,000	3,624
Outside China	11,389	13,841	370	357
Total	44,288	104,932	2,421	6,237
Note: Non-current assets exclude deferred tax assets.				

18. A breakdown of sales as follows:—

	Group 31/12/2017 US\$'000	Group 31/12/2016 US\$'000	% increase/ (decrease)
1H			
(a) Sales reported for first half year	29,739	46,573	36.15%
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(1,551)	(4,999)	68.97%
2H			
(c) Sales reported for second half year	14,549	58,359	75.07%
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(8,430)	(3,103)	171.67%

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:—

Not Applicable.

20. 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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the company hereby confirms that as at the date of this announcement, to the best of its knowledge, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries, is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

By Order of the Board

Iwao Oishi
 Executive Director, Vice Chairman and Acting Chief Executive Officer

28 February 2018