



Company Registration No. 200407031R

# ARTIVISION TECHNOLOGIES LTD.

## UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019

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**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.

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.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

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			6 months		
	1-Jul-19 to 30-Sep-19	1-Jul-18 to 30-Sep-18	+/-	1-Apr-19 to 30-Sep-19	1-Apr-18 to 30-Sep-18	+/-
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Unaudited) S\$'000	%
<b>Continuing operations:</b>						
Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
<b>Gross profit</b>	-	-	-	-	-	-
Other gains – net	-	-	-	-	6	(100)
Expenses						
- Distribution	-	-	-	-	(5)	(100)
- Administrative	(146)	(393)	(63)	(314)	(746)	(58)
- Finance	(205)	(199)	3	(405)	(395)	3
Loss before income tax	(351)	(592)	(41)	(719)	(1,140)	(37)
Income tax expense	-	-	-	-	-	-
<b>Loss from continuing operations</b>	(351)	(592)	(41)	(719)	(1,140)	(37)
<b>Discontinued operations*:</b>						
(Loss)/profit from discontinued operations	-	(59)	(100)	-	51	(100)
<b>Total losses</b>	(351)	(651)	(46)	(719)	(1,089)	(34)
<b>Other comprehensive loss:</b>						
Item that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
- Gains	-	13	(100)	-	11	(100)
<b>Total comprehensive loss</b>	(351)	(638)	(45)	(719)	(1,078)	(33)

**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 Contract Manufacturing Business of the Group undertaken by Colibri Assembly (Thailand) Co., Ltd (“CAT”).

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 has started the process of undertaking a members’ voluntary winding up of CAT. Following the commencement of the members’ voluntary winding up of CAT, the Company has de-consolidated CAT from the results of the Group from 1 January 2019 as the appointed liquidator of CAT has taken over all relevant activities of CAT.

	3 months			6 months		
	1-Jul-19 to 30-Sep-19	1-Jul-18 to 30-Sep-18	+/-	1-Apr-19 to 30-Sep-19	1-Apr-18 to 30-Sep-18	+/-
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Unaudited) S\$'000	%
<b>Discontinued operations:</b>						
Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
<b>Gross profit</b>	-	-	-	-	-	-
Other (losses)/gains – net	-	(7)	(100)	-	43	(100)
Expenses						
- Distribution	-	(1)	(100)	-	(4)	(100)
- Administrative	-	(51)	(100)	-	12	(100)
(Loss)/profit before income tax	-	(59)	(100)	-	51	(100)
Income tax expense	-	-	-	-	-	-
<b>(Loss)/profit from discontinued operations</b>	-	(59)	(100)	-	51	(100)
Cumulative expenses recognised in other comprehensive loss relating to discontinued operations are as follows:						
- Currency translation differences	-	13	(100)	-	11	(100)

**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)/profit for the period is arrived at after (charging)/crediting the following:

	3 Months			6 Months		
	1 Jul 2019 to 30 Sep 2019	1 Jul 2018 to 30 Sep 2018	+/-	1 Apr 2019 to 30 Sep 2019	1 Apr 2018 to 30 Sep 2018	+/-
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b><u>Continuing Operations:</u></b>						
Depreciation of property, plant and equipment	-	-	-	(12)	-	N.M.
<b><u>Other gains – net</u></b>						
Currency translation gains – net	-	-	-	-	5	(100)
Other income	-	-	-	-	1	(100)
	-	-	-	-	6	(100)
<b><u>Finance expenses</u></b>						
Interest expense on shareholder loan	(7)	-	N.M.	(10)	-	N.M.
Interest expense on bonds	(198)	(199)	(1)	(395)	(395)	-
	(205)	(199)	3	(405)	(395)	3
<b><u>Discontinued operations:</u></b>						
Depreciation of property, plant and equipment	-	(1)	(100)	-	(2)	(100)
Gain from disposal of property, plant and equipment	-	-	-	-	67	(100)
<b><u>Other gains/(losses) – net</u></b>						
Currency translation (losses)/gains – net	-	(12)	(100)	-	36	(100)
Other operating income	-	5	(100)	-	5	(100)
Interest income from bank and fixed deposits	_*	_*	(100)	_*	2	(100)
	-	(7)	(100)	-	43	(100)

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.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30-Sep-19 (Unaudited) S\$'000	31-Mar-19 (Audited) S\$'000	30-Sep-19 (Unaudited) S\$'000	31-Mar-19 (Audited) S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,008	1,003	1,008	1,003
Other current assets	13	52	13	52
	<b>1,021</b>	<b>1,055</b>	<b>1,021</b>	<b>1,055</b>
<b>Total assets</b>	<b>1,021</b>	<b>1,055</b>	<b>1,021</b>	<b>1,055</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables and other liabilities	2,337	1,955	2,337	1,955
Loan from a shareholder	300	-	300	-
Bonds payable	6,875	6,875	6,875	6,875
	<b>9,512</b>	<b>8,830</b>	<b>9,512</b>	<b>8,830</b>
<b>Total liabilities</b>	<b>9,512</b>	<b>8,830</b>	<b>9,512</b>	<b>8,830</b>
<b>NET LIABILITIES</b>	<b>(8,491)</b>	<b>(7,775)</b>	<b>(8,491)</b>	<b>(7,775)</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	71,777	71,777	71,777	71,777
Other reserves	2,515	2,515	2,515	2,515
Accumulated losses	(82,783)	(82,067)	(82,783)	(82,067)
<b>TOTAL EQUITY</b>	<b>(8,491)</b>	<b>(7,775)</b>	<b>(8,491)</b>	<b>(7,775)</b>

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

	As at 30 Sep 2019		As at 31 Mar 2019	
	(Unaudited)		(Audited)	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<b><u>Amount repayable in one (1) year or less, or on demand</u></b>				
Loan from a shareholder	-	300	-	-
Bonds payable	-	6,875	-	6,875
<b><u>Amount repayable after one (1) year</u></b>				
Nil	-	-	-	-

Loan from a shareholder as at 30 September 2019 relates to an unsecured loan granted by the Company's controlling shareholder, Mr Ching Chiat Kwong ("**Mr Ching**"). Mr Ching, who had undertaken to provide adequate funds to the Group to enable it to continue operating on a going concern basis, has entered into an unsecured loan agreement with the Company in March 2019, pursuant to which Mr Ching grants a loan to the Company of a principal amount of S\$300,000 to be disbursed in monthly instalments of S\$50,000 per month beginning from the month of March 2019, at an interest rate of 10% per annum.

Bonds payable as at 30 September 2019 and 31 March 2019 comprise the following:

- an aggregate principal amount of S\$2,875,000 as at 30 September 2019 and 31 March 2019, which bears interest at 10% per annum, is unsecured and repayable on 31 March 2020;
- an aggregate principal amount of S\$2,000,000 as at 30 September 2019 and 31 March 2019, which bears interest at 10% per annum, is unsecured and repayable on 31 March 2020; and
- an aggregate principal amount of S\$2,000,000 as at 30 September 2019 and 31 March 2019, which bears interest at 15% per annum, is unsecured and repayable on 31 March 2020.

### 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**

	<b>3 months ended 30 Sep 2019 (Unaudited) S\$'000</b>	<b>3 months ended 30 Sep 2018 (Unaudited) S\$'000</b>	<b>6 months ended 30 Sep 2019 (Unaudited) S\$'000</b>	<b>6 months ended 30 Sep 2018 (Unaudited) S\$'000</b>
<b>Cash flows from operating activities</b>				
Net loss	(351)	(651)	(719)	(1,089)
Adjustments for				
- Depreciation of property, plant and equipment	-	1	12	2
Gain from disposal of property, plant and equipment	-	-	-	(67)
- Interest income	(-*)	(-*)	(-*)	(2)
- Unrealised currency translation gains/(losses)	-	(4)	-	(1)
- Interest expense on shareholder loan	7	-	10	-
- Interest expense on bonds	198	199	395	395
- Interest expense on lease	-*	-	-*	-
	<u>(146)</u>	<u>(455)</u>	<u>(302)</u>	<u>(762)</u>
<b>Change in working capital:</b>				
- Trade and other receivables	-	29	27	(57)
- Other current assets	(1)	53	12	73
- Trade payables and other liabilities	33	(30)	(23)	(694)
<b>Cash used in operations</b>	<u>(114)</u>	<u>(403)</u>	<u>(286)</u>	<u>(1,440)</u>
Interest received	-*	-*	-*	2
<b>Net cash used in operating activities</b>	<u><b>(114)</b></u>	<u><b>(403)</b></u>	<u><b>(286)</b></u>	<u><b>(1,438)</b></u>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	-	-	-	67
Disposal of subsidiary, net of cash disposed of	-	1,000	-	1,000
<b>Net cash from investing activities</b>	<u>-</u>	<u><b>1,000</b></u>	<u>-</u>	<u><b>1,067</b></u>
<b>Cash flows from financing activities</b>				
Payment on lease liabilities	-	-	(9)	-
Proceeds from loan from a shareholder	100	-	300	-
<b>Net cash from financing activities</b>	<u><b>100</b></u>	<u>-</u>	<u><b>291</b></u>	<u>-</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(14)</b>	<b>597</b>	<b>5</b>	<b>(371)</b>
<b>Cash and cash equivalents</b>				
Beginning of financial period	1,022	1,303	1,003	2,276
Effects of currency translation on cash and cash equivalents	-	16	-	11
End of financial period	<u><b>1,008</b></u>	<u><b>1,916</b></u>	<u><b>1,008</b></u>	<u><b>1,916</b></u>

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

**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)**

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:

	<b>3 months ended 30 Sep 2019 (Unaudited) S\$'000</b>	<b>3 months ended 30 Sep 2018 (Unaudited) S\$'000</b>	<b>6 months ended 30 Sep 2019 (Unaudited) S\$'000</b>	<b>6 months ended 30 Sep 2018 (Unaudited) S\$'000</b>
Operating cash outflows	-	(112)	-	(670)
Investing cash inflows	-	-	-	67
Financing cash inflows	-	-	-	-
Net cash outflows	-	(112)	-	(603)



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**

<b>Group</b>	<b>Share capital</b>	<b>Currency translation reserve</b>	<b>Share-based compensation reserve</b>	<b>Capital reserve</b>	<b>Accumulated losses</b>	<b>Total attributable to equity holders of the Company</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>(Unaudited)</b>						
<b>Balance as at 1 April 2018</b>	71,777	158	2,515	-*	(79,465)	(5,015)
Loss for the period	-	-	-	-	(1,089)	(1,089)
Other comprehensive income for the period	-	11	-	-	-	11
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>(1,089)</b>	<b>(1,078)</b>
<b>Balance as at 30 September 2018</b>	<b>71,777</b>	<b>169</b>	<b>2,515</b>	<b>-*</b>	<b>(80,554)</b>	<b>(6,093)</b>
<b>(Unaudited)</b>						
<b>Balance as at 1 April 2019, as previously reported</b>	71,777	-	2,515	-*	(82,067)	(7,775)
Impact on change in accounting policy (see paragraph 5 below)	-	-	-	-	3	3
<b>Adjusted balances as at 1 April 2019</b>	<b>71,777</b>	<b>-</b>	<b>2,515</b>	<b>-*</b>	<b>(82,064)</b>	<b>(7,772)</b>
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(719)</b>	<b>(719)</b>
<b>Balance as at 30 September 2019</b>	<b>71,777</b>	<b>-</b>	<b>2,515</b>	<b>-*</b>	<b>(82,783)</b>	<b>(8,491)</b>

\*- 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
<b>(Unaudited)</b>					
<b>Balance as at 1 April 2018</b>	71,777	2,515	-*	(79,982)	(5,690)
Total comprehensive loss for the period	-	-	-	(1,140)	(1,140)
<b>Balance as at 30 September 2018</b>	<b>71,777</b>	<b>2,515</b>	<b>-*</b>	<b>(81,122)</b>	<b>(6,830)</b>
<b>(Unaudited)</b>					
<b>Balance as at 1 April 2019, as previously reported</b>	71,777	2,515	-*	(82,067)	(7,775)
Impact on change in accounting policy (see paragraph 5 below)	-	-	-	3	3
Adjusted balance as at 1 April 2019	71,777	2,515	-*	(82,064)	(7,772)
Total comprehensive loss for the period	-	-	-	(719)	(719)
<b>Balance as at 30 September 2019</b>	<b>71,777</b>	<b>2,515</b>	<b>-*</b>	<b>(82,783)</b>	<b>(8,491)</b>

\*- 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
<b>Issued and fully paid-up ordinary shares</b>		
Balance as at 30 June 2019 and 30 September 2019	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 30 September 2019 was 755,755,555 (30 September 2018: 759,755,555), comprising the following:-

Description of outstanding convertibles		As at 30 September 2019	As at 30 September 2018
Employee share options	(a)	-	4,200,000
2016 DECEMBER Options	(b)	555,555,555	555,555,555
2017 APRIL Options	(c)	200,000,000	200,000,000
<b>Total</b>		<b>755,555,555</b>	<b>759,755,555</b>

(a) Employee share options

As at 30 September 2019, there were no outstanding employee share options (30 September 2018: 4,200,000).

(b) 2016 DECEMBER Options

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 See Ching ("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 2016 DECEMBER 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. On 5 June 2017, the Company entered into two supplemental agreements with Mr Low and Mr Tee respectively, to amend the respective repayment dates from 30 June 2017 and 19 July 2017 to 31 August 2018. On 27 August 2018, the Company obtained the written agreement of each of Mr Low and Mr Tee to further extend the repayment date of the 2016 DECEMBER Bonds (together with the corresponding interests) from 31 August 2018 to 31 March 2019.

**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. (continued)**

On 13 May 2019, the Company obtained the written agreement of each of Mr Low and Mr Tee to further extend the repayment date of the 2016 DECEMBER Bonds (together with the corresponding interests) from 31 March 2019 to 31 March 2020.

All other terms in the respective 2016 DECEMBER Subscription Agreements with Mr Low and Mr Tee remained unchanged.

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.

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 30 September 2019 and 30 September 2018, none of the remaining 555,555,555 2016 DECEMBER Options was exercised. 370,370,370 2016 DECEMBER Options will expire on 29 December 2019 for Mr Low and 185,185,185 2016 DECEMBER Options will expire on 18 January 2020 for Mr Tee.

(c) 2017 APRIL Options

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 of 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. On 27 August 2018, the Company obtained the written agreement of Mr Tang to further extend the repayment date of the 2017 APRIL Bonds (together with the corresponding interests) from 31 August 2018 to 31 March 2019.

**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. (continued)**

On 13 May 2019, the Company obtained the written agreement of Mr Tang to further extend the repayment date of the 2017 APRIL Bonds (together with the corresponding interests) from 31 March 2019 to 31 March 2020.

All other terms in the 2017 APRIL Subscription Agreement remained unchanged.

In connection with the 2017 APRIL Issuance of Bonds, the Company had, on 5 April 2017, 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 30 September 2019 and 30 September 2018, none of the 2017 APRIL Options was 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 30 September 2019 and 30 September 2018.

**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.**

	<b>As at 30 September 2019</b>	<b>As at 31 March 2019</b>
<b>Number of issued shares excluding treasury shares</b>	1,797,792,986	1,797,792,986

The Company did not have any treasury shares as at 30 September 2019 and 31 March 2019.

**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 2019 except for the adoption of SFRS(I) 16 – Leases, details as set out in paragraph 5 below.

**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.**

On 1 April 2019, the Company adopted SFRS(I) 16 – Leases which came into effect for annual period beginning on or after 1 January 2019. SFRS(I) 16 removes the distinction between operating and finance lease. Under this standard, an asset (the right-of-use of the leased item) and a financial liability to pay rentals are recognised.

In accordance with the standard, the Company has applied the standard retrospectively by adjusting the cumulative effect of initially applying the standard on 1 April 2019. As at 1 April 2019, the Company has a lease for an office which expired on 15 May 2019. In accordance with the standard, the remaining lease was recognised on the balance sheet of the Company by recognising the right-of-use of the leased asset at a net book value of S\$12k and lease liability at its net present value of S\$9k. The Company's accumulated losses as previously reported on 31 March 2019 has been adjusted from S\$82,067,000 to S\$82,064,000 being cumulative effect on prior years' net income had the standard been adopted at the inception of the lease.

**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.

**(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 potentially dilutive ordinary shares, namely call options as at 30 September 2019 (30 September 2018: two categories of potentially dilutive ordinary shares, namely employees' share options and call options).

For share options, the weighted average number of shares in issue has been adjusted as if all dilutive share options were exercised at the end of reporting date. The number of shares that could have been issued upon the exercise of all dilutive share options, which condition is fulfilled 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.

	3 Months		6 Months	
	1 Jul 2019 to 30 Sep 2019	1 Jul 2018 to 30 Sep 2018	1 Apr 2019 to 30 Sep 2019	1 Apr 2018 to 30 Sep 2018
Net loss from continuing operations (S\$'000)	(351)	(592)	(719)	(1,140)
Less: Net (loss)/profit arising from discontinued operations (S\$'000)	-	(59)	-	51
Net loss attributable to equity holders of the Company (S\$'000)	(351)	(651)	(719)	(1,089)
Weighted average number of ordinary shares outstanding for basic loss per share	1,797,792,986	1,797,792,986	1,797,792,986	1,797,792,986
Adjustments for dilutive options	-	-	-	-
Weighted average number of ordinary shares outstanding for diluted loss per share	1,797,792,986	1,797,792,986	1,797,792,986	1,797,792,986
<b>(a) Basic Loss Per Share</b>				
Basic loss per share from continuing operations (S\$ cents)	(0.02)	(0.03)	(0.04)	(0.06)
Basic earnings per share from discontinued operations (S\$ cents)	-	_*	-	_*
Basic loss per share (S\$ cents)	(0.02)	(0.04)**	(0.04)	(0.06)
<b>(b) Diluted Loss Per Share</b>				
Basic loss per share from continuing operations (S\$ cents)	(0.02)	(0.03)	(0.04)	(0.06)
Basic earnings per share from discontinued operations (S\$ cents)	-	_*	-	_*
Basic loss per share (S\$ cents)	(0.02)	(0.04)**	(0.04)	(0.06)

\* - Amount less than S\$0.01

\*\* - Figures may 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 30 September 2019	As at 31 March 2019	As at 30 September 2019	As at 31 March 2019
Net liability value per ordinary share (S\$ cents)	(0.47)	(0.43)	(0.47)	(0.43)

Net liability value per ordinary share is calculated based on 1,797,792,986 shares in issue as at 30 September 2019 (31 March 2019: 1,797,792,986 shares in issue).

**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

After cessation of CAT's business in February 2018, the Group does not have any business since then and as at the date of this announcement. The discontinued operations relating to CAT's business had been separately disclosed in the Group's income statement. As such, the Group did not report any revenue and gross profit from its continuing operations in the 3-month financial period ended 30 September 2019 ("**Q2FY2020**") and the 3-month financial period ended 30 September 2018 ("**Q2FY2019**"), as well as the 6-month financial period ended 30 September 2019 ("**H1FY2020**") and the 6-month financial period ended 30 September 2018 ("**H1FY2019**").

#### Q2FY2020 vs Q2FY2019

In both Q2FY2020 and Q2FY2019, the Group's expenses comprised mainly administrative expenses and finance cost.

In Q2FY2020, the Group's administrative expenses amounted to S\$146k which comprised mainly staff cost (S\$29k), SGX listing related expenses (S\$22k), professional fees (S\$53k) and annual report printing expenses (S\$13k). Finance cost of S\$205k arose from bonds payable of S\$6.85 million as at 30 September 2019 with coupon rates ranging from 10% to 15% per annum and a loan from a shareholder at an interest rate of 10% per annum.

In Q2FY2019, the Group's administrative expenses amounted to S\$393k which comprised mainly remuneration and emoluments (S\$122k), rental expenses (S\$27k), SGX listing related expenses (S\$36k) and professional fees (S\$160k). Finance cost of S\$199k arose from bonds payable of S\$6.85 million as at 30 September 2018 with coupon rates ranging from 10% to 15% per annum.

There was no income tax expense incurred for both Q2FY2020 and Q2FY2019.

As a result of the above, the Group's continuing operations recorded a net loss of S\$351k for Q2FY2020, as compared to a net loss of S\$592k for Q2FY2019.



## **H1FY2020 vs H1FY2019**

In both H1FY2020 and H1FY2019, the Group's expenses comprised mainly administrative expenses and finance cost.

In H1FY2020, the Group's administrative expenses amounted to S\$314k which comprised mainly remuneration and emoluments (S\$80k), SGX listing related expenses (S\$44k) and professional fees (S\$112k). Finance cost of S\$405k arose from bonds payable of S\$6.85 million as at 30 September 2019 with coupon rates ranging from 10% to 15% per annum and a loan from a shareholder at an interest rate of 10% per annum.

In H1FY2019, the Group's administrative expenses amounted to S\$746k which comprised mainly remuneration and emoluments (S\$192k), rental expenses (S\$55k), SGX listing related expenses (S\$79k), professional fees (S\$291k), office reinstatement expenses (S\$22k) and annual report printing expenses (S\$13k). Finance cost of S\$395k arose from bonds payable of S\$6.85 million as at 30 September 2018 with coupon rates ranging from 10% to 15% per annum.

There was no income tax expense incurred for both H1FY2020 and H1FY2019.

As a result of the above, the Group's continuing operations recorded a net loss of S\$719k for H1FY2020, as compared to a net loss of S\$1.14 million for H1FY2019.

## **Discontinued operations**

Following the commencement of the members' voluntary winding up of CAT, the Company has de-consolidated CAT from the Group from 1 January 2019 as the appointed liquidator of CAT has taken over all relevant activities of CAT.

The Group incurred a net loss of S\$59k for Q2FY2019 and a net profit of S\$51k for H1FY2019 from its discontinued operations. The net loss of S\$59k for Q2FY2019 arose from the winding up process of CAT that commenced in February 2018, while the net profit of S\$51k for H1FY2019 arose mainly from other gains such as net currency translation gains, other operating income and interest income.

## **Statement of Financial Position**

### **Current Assets**

Current assets decreased by S\$34k, from S\$1.05 million as at 31 March 2019 to S\$1.02 million as at 30 September 2019 due mainly to a decrease in other current assets of S\$39k, partially offset by an increase in cash and cash equivalents of S\$5k. The decrease in other current assets was due mainly to the refund of deposits in respect of the lease of the Company's office which expired on 15 May 2019. Please refer to the section on "Consolidated Statement of Cash Flows" below for reasons for the increase in cash and cash equivalents.

### **Current liabilities**

Current liabilities increased by S\$682k, from S\$8.8 million as at 31 March 2019 to S\$9.5 million as at 30 September 2019 due mainly to the loan received from a shareholder (S\$300k) and additional interest payable accrued for the bonds payable (S\$395k).

### **Equity and Working Capital**

The Group's negative equity and negative working capital increased by S\$0.7 million, from S\$7.8 million as at 31 March 2019 to S\$8.5 million as at 30 September 2019. This was due to the total comprehensive loss of S\$719k incurred in H1FY2020.

Mr Ching, the controlling shareholder of the Company, had undertaken to provide adequate funds to the Group to enable it to continue operating as a going concern.

## **Consolidated Statement of Cash Flows**

The Group's cash and cash equivalents increased by S\$5k, from S\$1.003 million as at 31 March 2019 to S\$1.008 million as at 30 September 2019 due mainly to the proceeds received from a loan from a shareholder of S\$300k, partially offset by the net cash used in operating activities amounting to S\$286k in H1FY2020.

**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.**

On 17 September 2019, the Company announced that it had entered into the following agreements:-

- (i) an amended and restated conditional sale and purchase agreement dated 11 September 2019 (the **"Amended and Restated SPA"**) with Mobile Credit Payment Pte. Ltd. (**"Target Company"**), and together with its subsidiaries, the **"Target Group"**), and the shareholders and bondholders of the Target Company in relation to the proposed acquisition of the Target Company (the **"Proposed Acquisition"**). The Amended and Restated SPA has replaced in its entirety, the conditional sale and purchase agreement dated 27 April 2018 (the **"Original SPA"**) entered into between the Company, the Target Company and the shareholders and bondholders of the Target Company as at the date of the Original SPA; and
- (ii) a settlement agreement dated 12 September 2019 with Mr Ching Chiat Kwong (**"Mr Ching"**, the controlling shareholder of the Company) (**"Settlement Agreement"**) pursuant to which, amongst others, Mr Ching will acquire all of the Company's outstanding bonds and options from the respective holders, in return for the Company's issuance and allotment of such number of new shares in the capital of the Company to Mr Ching.

Please refer to the Company's announcements dated 17 September 2019 on the Amended and Restated SPA and the Settlement Agreement.

On 8 October 2019 (**"Extension Announcement"**), the Company announced that the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) had no objections to a 6-month further extension of time from 31 August 2019 to 29 February 2020 (**"Second Extension"**) to complete the Proposed Acquisition and to meet the requirements for a new listing pursuant to Rule 1017(2) of the Catalist Rules, subject to certain terms and conditions, as set out in the Extension Announcement. Please refer to the Extension Announcement on the reasons for the Company's application for the Second Extension and the grant of no objections by the SGX-ST.

As at the date of this announcement, the Company together with its appointed advisers are currently in the midst of conducting due diligence on the Target Group in respect of the Proposed Acquisition.

The above events will pave the way for the completion of a proposed reverse takeover of the Target Company.

The Company will make the necessary announcement when there are any material developments on the Proposed Acquisition.

#### **11. Dividends.**

Not applicable.

#### **12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for Q2FY2020 as the Group recorded net loss in Q2FY2020.

#### **13. Use of proceeds**

##### **Use of net proceeds from the disposal of Artimedia Pte. Ltd. and its wholly-owned subsidiary, Artimedia IL (“Artimedia Group”)**

On 11 August 2017, the Company completed the disposal of Artimedia Group and received the first tranche payment of the total consideration of S\$3.00 million (“**First Tranche Consideration**”). On 8 February 2018, the Company received the second tranche payment of the total consideration of S\$1.00 million (“**Second Tranche Consideration**”). On 6 July 2018, the Company received the third and final tranche payment of the total consideration of S\$1.00 million (“**Final Tranche Consideration**”).

As announced by the Company on 5 April 2018, pursuant to the “no objections” letter issued by the SGX-ST on the same date in relation to, *inter alia*, the Company’s application for waiver from compliance with Rule 1017(1)(a) of the Catalist Rules, the Final Tranche Consideration will have to be placed in an escrow account to be opened by the Company with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore. Please refer to the Company’s announcements dated 5 April 2018 and 11 July 2018 for further information.

As announced by the Company on 12 November 2018, the First Tranche Consideration and Second Tranche Consideration had been fully utilized, and the Final Tranche Consideration stood at S\$1.00 million as at 30 September 2018. As at 31 December 2018, the Final Tranche Consideration remained at S\$1.00 million, which had been placed in an escrow account opened by the Company in December 2018.

#### **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. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules.**

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention, which may render the interim financial results for the second quarter ended 30 September 2019 to be false or misleading in any material aspect.

#### **16. 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 confirms 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

11 November 2019