



Half Year Financial Statements And Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

**Unaudited Consolidated Statement of Comprehensive Income
For the financial period ended 30 September 2017 ("1H2018")**

	Group		Change Increase / (Decrease) %
	1H2018 S\$'000	1H2017 S\$'000	
Revenue	1,096	3,067	(64.3)
Other operating income	39	52	(25.7)
Charges in inventories	(301)	(1,320)	(77.2)
Purchases of goods/equipment/services	(646)	(604)	6.9
Employee benefit expense	(1,895)	(3,161)	(40.0)
Amortisation and depreciation expenses	(448)	(708)	(36.7)
Finance costs	(1,008)	(722)	39.6
Other operating expenses	(1,185)	(1,614)	(26.5)
Total expenses	(5,483)	(8,129)	(32.5)
Loss before income tax	(4,348)	(5,010)	(13.2)
Income tax - credit	-	1	NM
Net loss for the period	(4,348)	(5,009)	(13.2)
Other comprehensive (loss) / income:			
Currency translation differences arising from consolidation	77	(35)	NM
Total comprehensive loss for the period	(4,271)	(5,044)	(15.3)
Net loss attributable to shareholders of the Company	(4,348)	(5,009)	
Total comprehensive loss attributable to shareholders of the Company	(4,271)	(5,044)	

1(a)(ii). The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Note (i) - Net loss for the period

This is determined after charging / (crediting) the following:

	Group		Change Increase / (Decrease) %
	1H2018 Dr/(Cr) S\$'000	1H2017 Dr/(Cr) S\$'000	
Amortisation of intangible assets	383	594	(35.44)
Depreciation of plant and equipment	65	114	(43.08)
Employee share option expense	-	90	NM
Provision for foreseeable losses	183	189	(3.33)
Interest expense	1,008	722	39.62
Interest income	(1)	(6)	(81.16)
Exchange (gain) / loss, net	45	(6)	NM

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.

**Unaudited Statements of Financial Position
As at 30 September 2017 ("1H2018")**

	Note	Group S\$'000		Company S\$'000	
		1H2018	FY2017	1H2018	FY2017
Assets					
Non-current assets					
Plant and equipment		269	334	-	-
Investments in subsidiaries		-	-	5,943	5,943
Intangible assets		1,151	1,506	-	-
		<u>1,420</u>	<u>1,840</u>	<u>5,943</u>	<u>5,943</u>
Current assets					
Inventories		474	775	-	-
Trade and other receivables	1	6,195	6,845	3,163	2,761
Cash and bank balances		26	43	-*	-*
		<u>6,695</u>	<u>7,663</u>	<u>3,163</u>	<u>2,761</u>
Total assets		<u>8,115</u>	<u>9,503</u>	<u>9,106</u>	<u>8,704</u>
Equity and liabilities					
Current liabilities					
Bank borrowings		-	278	-	-
Finance lease liabilities		49	90	-	-
Trade and other payables	2	24,075	21,044	4,483	3,809
Current income tax liability		1	1	-	-
Provisions	3	2,892	2,709	-	-
		<u>27,017</u>	<u>24,122</u>	<u>4,483</u>	<u>3,809</u>
Net current liabilities		(20,322)	(16,459)	(1,320)	(1,048)
Non-current liabilities					
Finance lease liabilities		3	15	-	-
Net (liabilities) / assets		(18,905)	(14,634)	4,623	4,895
Equity attributable to equity holders of the Company					
Share capital		112,709	112,709	112,709	112,709
Other reserve		-	-	(107,004)	(107,004)
Share option reserve		482	482	482	482
Translation reserve		91	14	-	-
Accumulated losses		(132,187)	(127,839)	(1,564)	(1,292)
Total equity		<u>(18,905)</u>	<u>(14,634)</u>	<u>4,623</u>	<u>4,895</u>
Total equity and liabilities		<u>8,115</u>	<u>9,503</u>	<u>9,106</u>	<u>8,704</u>

Note 1: Trade and other receivables

	Group S\$'000		Company S\$'000	
	1H2018	FY2017	1H2018	FY2017
Trade receivables	2,755	2,989	-	-
Allowance for doubtful debts on trade receivables	(1,634)	(1,653)	-	-
<i>Net trade receivables</i>	1,121	1,336	-	-
Accrued revenue	3,965	3,753	-	-
Allowance for impairment	(1,265)	(1,265)	-	-
	2,700	2,488	-	-
Other receivables	1,359	2,022	7	512
Allowance for doubtful debts on other receivables	(549)	(565)	-	-
<i>Net other receivables</i>	810	1,457	7	512
Amount due from subsidiaries	-	-	3,156	2,249
Receivable in respect of a guarantee from a director-cum-shareholder	1,564	1,564	-	-
<i>Total trade and other receivables</i>	6,195	6,845	3,163	2,761

Note 2: Trade and other payables

	Group S\$'000		Company S\$'000	
	1H2018	FY2017	1H2018	FY2017
Trade payables	2,066	1,985	-	-
Accruals	6,301	4,880	948	658
Deferred income	1,621	1,921	-	-
Due to directors-cum-shareholders	2,903	2,380	538	-
Other payables	2,064	1,684	427	277
Short term loans	9,120	8,194	2,570	2,874
Due to subsidiaries	-	-	-	-
	24,075	21,044	4,483	3,809

Note 3: Provisions

	Group S\$'000		Company S\$'000	
	1H2018	FY2017	1H2018	FY2017
Foreseeable losses on projects	2,772	2,589	-	-
Warranty costs	120	120	-	-
	2,892	2,709	-	-

Foreseeable losses on projects comprise foreseeable cost overruns and liquidated damages.

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

Amount repayable in one year or less, or on demand

1H2018		FY2017	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
49	-	368	-

Amount repayable after one year

1H2018		FY2017	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
3	-	15	-

At the end of the financial period, the secured borrowings comprise hire purchase arrangements for assets.

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

	Group	
	S\$'000	
	1H2018	1H2017
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before income tax	(4,348)	(5,010)
Adjustments for:		
Amortisation of intangible assets	383	594
Depreciation of plant and equipment	65	114
Equity-settled share option expenses granted to directors and employees	-	90
Provision for foreseeable losses	183	189
Interest income	(1)	(6)
Finance costs	1,008	722
Foreign exchange (gain)/loss	- *	- *
Currency realignment	73	(34)
Operating cash flow before working capital changes	<u>(2,637)</u>	<u>(3,341)</u>
Trade and other receivables	649	1,043
Trade and other payables and provisions	1,295	(370)
Inventories	301	1,320
Cash used in operations	<u>(392)</u>	<u>(1,348)</u>
Income tax refund	-	1
Interest paid	(289)	(706)
Interest received	1	6
Net cash used in operating activities	<u>(680)</u>	<u>(2,047)</u>
Cash flows from investing activities		
Additions to intangible assets	(28)	(231)
Net cash used in investing activities	<u>(28)</u>	<u>(231)</u>

Consolidated Statement of Cash Flows (Cont'd)

	Group S\$'000	
	1H2018 S\$'000	1H2017 S\$'000
Cash flows from financing activities		
Repayment of obligations under finance leases	(41)	(53)
Increase on amount due to a director-cum-shareholder	524	11
Proceeds from short-term loans	816	3,368
Repayment of short-term loans	(608)	(631)
Net cash generated from financing activities	<u>691</u>	<u>2,695</u>
Effects of exchange rate changes on cash and cash equivalents	- *	- *
Net (decrease) / increase in cash and cash equivalents	(17)	417
Cash and cash equivalents at beginning of the period	43	496
Cash and cash equivalents at end of the period	<u>26</u>	<u>914</u>
Cash and cash equivalents comprises:		
Bank and cash balances	26	409
Fixed deposit pledged as security for banking facilities (i)	-	504
Cash and cash equivalents in consolidated statement of cash flows	<u>26</u>	<u>913</u>

* denote less than S\$1,000

i. Fixed deposit pledged as security for banking facilities was readily available to reduce borrowings from the banking facilities.

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.

Group 1H2018	Share capital S\$'000	Share option reserve S\$'000	Translation reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 April 2017	112,709	482	14	(127,839)	(14,634)
Loss for the period	-	-	-	(4,348)	(4,348)
Other comprehensive income for the period	-	-	77	-	77
Total comprehensive income/(loss) for the period	-	-	77	(4,348)	(4,271)
Reversal of equity-settled share options	-	-	-	-	-
Employees' share options expenses	-	-	-	-	-
At 30 September 2017	112,709	482	91	(132,187)	(18,905)
Group 1H2017	Share capital S\$'000	Share option reserve S\$'000	Translation reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 April 2016	112,709	373	118	(116,055)	(2,855)
Loss for the period	-	-	-	(5,009)	(5,009)
Other comprehensive loss for the period	-	-	(35)	-	(35)
Total comprehensive loss for the period	-	-	(35)	(5,009)	(5,044)
Employees' share options expenses	-	90	-	-	90
At 30 September 2016	112,709	463	83	(121,064)	(7,809)
Company 1H2018	Share capital S\$'000	Share option reserve S\$'000	Other reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 April 2017	112,709	482	(107,004)	(1,292)	4,895
Total comprehensive loss for the year	-	-	-	(272)	(272)
At 30 September 2017	112,709	482	(107,004)	(1,564)	4,623
Company 1H2017	Share capital S\$'000	Share option reserve S\$'000	Other reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 April 2016	112,709	373	(107,015)	(655)	5,412
Total comprehensive loss for the period	-	-	-	(330)	(330)
Employees' share options expenses	-	90	-	-	90
At 30 September 2016	112,709	463	(107,015)	(985)	5,172

* denote 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	<u>No. of ordinary shares</u>	<u>Share capital</u> S\$'000
At beginning of the period	156,718,170	112,709

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

The Company did not have any treasury shares as the end of the period and as at the end of the immediately preceding financial year.

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial year reported thereon.

The Company did not have any treasury shares as the end of the period and as at the end of the immediately preceding financial year.

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 Company's appointed external 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 same accounting policies and methods of computation in the financial statements have been consistently applied by the Group for the period presented. The financial statements of the Group for the financial year ended 31 March 2017 are still being audited.

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. Earnings/(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.

	1H2018	1H2017
Consolidated net loss attributable to the equity holders of the Company (S\$'000)	(4,348)	(5,009)
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share ('000)	156,718	156,718
Loss per share - basic and diluted (cents)	(2.77)	(3.20)

The basic and fully diluted loss per ordinary share are the same as the Group did not have any potentially dilutive effects on its ordinary shares outstanding at the end of the period.

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 current financial period reported on, and immediately preceding financial year.

	Group		Company	
	1H2018	FY2017	1H2018	FY2017
Net (liabilities) / assets (S\$'000)	(18,905)	(14,634)	4,623	4,895
Number of shares outstanding ('000)	156,718	156,718	156,718	156,718
Net (liabilities) / assets value per ordinary share (cents)	(12.06)	(9.34)	2.95	3.12

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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue

The Group recorded a 64.3% decrease in revenue to S\$1.10 million for the financial period ended 30 September 2017 ("1H2018") from S\$3.07 million in the corresponding financial period ended 30 September 2017 ("1H2017"). The decrease was attributable to lower level of activity that resulted in lower revenue recognition.

Cost of goods and services sold

Cost of goods and services sold decreased in line with lower revenue.

Other operating income

Other operating income decreased 25.7% to S\$39,000 from S\$52,000 due to decrease in interest income and government employment credit grant.

Employee benefit expense

Employee benefit expense decreased 40.0% to S\$1.90 million in 1H2018 from S\$3.16 million in 1H2017 mainly due to reduced headcount.

Amortisation and depreciation expenses

Amortisation and depreciation expenses decreased 36.7% to S\$0.45 million in 1H2018 from S\$0.71 million in 1H2017. This was mainly due to intangible assets, and plant and equipment being fully amortised and depreciated during the period.

Finance costs

Finance costs increased 39.6% to S\$1.01 million in 1H2018 from S\$0.72 million in 1H2017 mainly due to changes in the mix of borrowings towards higher-cost unsecured short term borrowings.

Other operating expenses

Other operating expenses decreased 26.5% to S\$1.19 million in 1H2018 compared to S\$1.61 million in 1H2017. This was mainly due to lower expenses incurred on travelling, telecommunications, professional services and other costs.

Net loss

As a result of the above, the Group recorded a net loss after tax of S\$4.35 million in 1H2018 compared to a net loss after tax of S\$5.01 million in 1H2017.

STATEMENTS OF FINANCIAL POSITION

Non-current assets

Non-current assets were reduced by S\$0.42 million from S\$1.84 million in FY2017 to S\$1.42 million in 1H2018. This was mainly due to the amortisation of intangible assets and depreciation of plant and equipment.

Current assets

The Group recorded current assets of S\$6.70 million as at 1H2018, a decrease of S\$0.96 million from S\$7.66 million as at FY2017. The decrease was mainly due to reduction in trade and other receivables, and inventories.

Non-current liabilities

Non-current liabilities of the Group represent non-current portion of the existing finance lease.

Current liabilities

The Group recorded current liabilities of S\$27.02 million as at 1H2018, an increase of S\$2.90 million from S\$24.12 million as at FY2017. This was mainly due to increase in trade payables and accruals, and increase in provisions.

CASH FLOWS

Net cash used in operating activities was S\$0.68 million in 1H2018 as compared to S\$2.05 million used in 1H2017. Decrease in net cash used in operating activities was mainly due to lower expenses incurred as compared with 1H2017.

Net cash used in investing activities pertaining to additions to intangible assets amounted to S\$0.03 million in 1H2018 compared to S\$0.23 million in 1H2017.

Net cash generated from financing activities was S\$0.69 million in 1H2018 as compared to S\$2.70 million in 1H2017. The decrease in net cash generated from financing activities was mainly due to lower net short term borrowings.

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

The Company did not make any forecast or a prospect statement to shareholders.

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.

Global passenger air travel is expected to maintain positive growth rates up to 2030*. However, challenges in the global operating environment have led to a general slowdown in project tenders as well as longer gestation periods for projects. The Group has submitted several proposals in response to calls for tenders for several major international airports, is actively following up on proposals submitted and is also preparing proposals for opportunities in other countries, with the view to secure more installations for the iFerret™ systems in the near future.

As announced previously, the Group is currently working on a Renounceable Non-Underwritten Rights Issue, with free detachable and transferable warrants, to improve its cash flow position and to fund future expansions and projects. As a show of confidence and commitment to the Group and its business, founders and controlling shareholders David K.M. Chew and Leong Sook Ching announced that they intend to subscribe for their respective rights issue entitlements by injection of fresh funds as well as conversion of amounts owing to them into equity. The Group is also exploring other equity fundraising activities, including share placements and bond issue, to improve its net liability position.

Barring unforeseen circumstances, the Group remains cautiously optimistic about its performance in the coming financial year due to pending tenders in its contract pipeline. The Group's sales and marketing team will continue to secure options, variations and follow-on orders from existing projects.

*Source: Statista – Annual growth in global air traffic passenger demand from 2005 to 2017

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

No dividend has been declared or recommended for the current financial period or the immediately preceding financial year.

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

Not applicable.

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

Please refer to item 8 & 10.

15. A breakdown of sales is as follows:-

Not applicable.

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

None.

17. Interested Person Transactions ("IPT")

In accordance with Rule 907 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"):

Name of interested person	Aggregate value of IPT in the year		Aggregate value of IPT conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual	
	1H2018 S\$'000	1H2017 S\$'000	1H2018 S\$'000	1H2017 S\$'000
Nil	-	-	-	-

18. Confirmation by Directors pursuant to Rule 705(4) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Board of Directors of the Company confirms, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Half Year Financial Statement and Dividend Announcement for the financial period ended 30 September 2017 to be false or misleading.

Dr. David K.M. Chew
Executive Chairman

Ms. Leong Sook Ching
Executive Director

14 November 2017