

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 "**March Announcement**"), 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 "**FY2014 Financial Statements**"). 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 (the "**Accounting 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 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) As disclosed in the announcement dated 19 May 2016, due to the substantial costs of the Expanded Investigations and the fees for completing the audit on the Company relating to the FY2014 Financial Statements (the "**FY2014 Audit**"), the board of directors of the Company suspended the Expanded Investigations and the FY2014 Audit.

- (e) As disclosed in the announcement dated 20 October 2016, the Company is exploring alternative options with the Group's auditor, PricewaterhouseCoopers LLP Singapore ("**PwC**"), to undertake an extended scope audit (the "**Extended Scope Audit**") in respect of the FY2014 Financial Statements, the financial statements for the year ended 31 December 2015 (the "**FY2015 Financial Statements**") and the financial statements for the year ended 31 December 2016.
- (f) 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 FY2015 Financial Statements and the financial statements for the first quarter ended 31 March 2015 ("**1Q15 Financial Statements**"), financial statements for the second quarter ended 30 June 2015 ("**2Q15 Financial Statements**") and financial statements for the third quarter ended 30 September 2015 ("**3Q15 Financial Statements**"), and together with the 1Q15 Financial Statements and the 2Q15 Financial Statements, the "**Quarterly FY2015 Financial Statements**") 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 are subject to the audit by PwC and may change as a result of the Extended Scope Audit.
- (g) As the closing balances and figures in the FY2015 Financial Statements will serve as the opening balances and figures in the quarterly and full year financial statements for the year ended 31 December 2016 (the "**Relevant FY2016 Financial Statements**"), the Accounting Adjustments continue to have an impact on the Relevant FY2016 Financial Statements.
- (h) The financial results disclosed in this announcement have not been reviewed or audited by PwC. As such, the Company would like to remind shareholders of the Company that the financial results disclosed in this announcement may be subject to further adjustments and revisions after the completion of the Expanded Investigations and the Extended Scope Audit.

GIVEN THE ABOVE AND PENDING COMPLETION OF THE EXPANDED INVESTIGATIONS AND THE EXTENDED SCOPE AUDIT, THE BOARD OF DIRECTORS WISHES TO CAUTION INVESTORS AND TO ADVISE THAT INVESTORS SHOULD NOT RELY ON THE FINANCIAL RESULTS DISCLOSED IN THIS ANNOUNCEMENT.

UNAUDITED FULL YEAR 2016 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 3Q 2016 US\$'000
	4Q 2016 US\$'000	4Q 2015 US\$'000	Change %	Full Yr 2016 US\$'000	Full Yr 2015 US\$'000	Change %	
Revenue	36,528	39,876	-8.40%	104,932	103,097	1.78%	21,831
Cost of sales	(27,886)	(30,583)	8.82%	(82,597)	(80,165)	-3.03%	(17,833)
Gross profit	8,642	9,293	-7.01%	22,335	22,932	-2.60%	3,998
Gross profit %	23.66%	23.30%	0.35%	21.29%	22.24%	-0.96%	18.31%
Other operating income	553	42	1216.67%	1,506	331	354.98%	110
Distribution costs	(1,348)	(3,582)	62.37%	(10,821)	(15,475)	30.07%	(2,484)
Administrative expenses	(3,826)	(2,431)	-57.38%	(12,980)	(18,208)	28.71%	(2,179)
Other operating expenses	(5,618)	(5,301)	-5.98%	(6,005)	(7,122)	15.68%	(81)
Finance costs	(352)	(344)	-2.33%	(1,343)	(796)	-68.72%	(307)
Loss before income tax	(1,949)	(2,323)	16.10%	(7,308)	(18,338)	60.15%	(943)
Income tax expense	60	(878)	106.83%	(794)	(899)	11.68%	(271)
Loss for the period/year	(1,889)	(3,201)	40.99%	(8,102)	(19,237)	57.88%	(1,214)
Loss attributable to:							
Owners of the company	(2,571)	(3,387)	24.09%	(9,428)	(18,182)	48.15%	(1,415)
Non-controlling interests	682	186	266.67%	1,326	(1,055)	225.69%	201
Loss for the period/year	(1,889)	(3,201)	40.99%	(8,102)	(19,237)	57.88%	(1,214)
PAT margin	-5.17%	-8.03%		-7.72%	-18.66%		-5.56%
Other comprehensive income (loss):							
Exchange differences arising on translation of foreign operations	472	31	1422.58%	158	(760)	120.79%	(495)
Remeasurement of employee benefit obligation	-	(78)	100.00%	-	(78)	100.00%	-
Other comprehensive income (loss) for the period/year	472	(47)	1104.26%	158	(838)	118.85%	(495)
Total comprehensive loss for the period/year	(1,417)	(3,248)	56.37%	(7,944)	(20,075)	60.43%	(1,709)
Total comprehensive loss attributable to:							
Owners of the company	(2,099)	(3,434)	38.88%	(9,270)	(19,020)	51.26%	(1,910)
Non-controlling interests	682	186	266.67%	1,326	(1,055)	225.69%	201
Total comprehensive loss for the period/year	(1,417)	(3,248)	56.37%	(7,944)	(20,075)	60.43%	(1,709)

Operating loss is arrived at after crediting and (charging) :

	Group			Group			Note 1
	4Q 2016 US\$'000	4Q 2015 US\$'000	Change %	Full Yr 2016 US\$'000	Full Yr 2015 US\$'000	Change %	3Q 2016 US\$'000
Interest income	17	17		39	143	-72.73%	7
Interest expenses	(352)	(344)	-2.33%	(1,343)	(796)	-68.72%	(306)
Net foreign exchange (loss) gain	(522)	1,563	-133.40%	90	(1,061)	108.48%	844
(Increase) decrease in allowance for doubtful trade receivables	(840)	(2,384)	64.77%	(647)	(3,520)	81.62%	159
Increase in allowance for obsolete inventories	(28)	(1,292)	97.83%	(82)	(1,297)	93.68%	(81)
Amortisation expenses	(147)	(168)	12.50%	(629)	(678)	7.23%	(153)
Depreciation expenses	(268)	(388)	30.93%	(1,154)	(1,333)	13.43%	(285)
Fair value change of other financial assets	-	-		-	(20)	100.00%	-
Loss on write off of property, plant and equipment	(317)	-		(342)	-		-
(Loss) gain on disposal of property, plant and equipment	(9)	(5)	-80.00%	733	33	2121.21%	21
Bad debt written off	(583)	(1,452)	59.85%	(602)	(1,464)	-58.88%	(6)
Stock written off	(200)	-		(200)	(138)	44.93%	-
Impairment loss - Intangible assets	(1,563)	-		(1,563)	-		-
Impairment loss - Goodwill	(2,000)	-		(2,000)	-		-

Note 1: 3Q2016 Profit and loss statement is used for comparison purpose.

Note 2: Restructuring Expenses of US\$4.2 million is included in "Other operating expenses", "Distribution costs", and "Administrative expenses" of above operating expenses items (p.1). Restructuring expenses are costs resulted from reorganizing its operations including the followings.

	Full Yr 2016 US\$ million
<u>Restructuring expenses</u>	
(a) Loss on write off of property, plant and equipment	0.3
(b) Stock written off	0.2
(c) Impairment loss - intangible assets	1.5
(d) Downsizing costs such as the severance pay to the retired employees	1.0
(e) Bad debt written off or Provision for bad debt due to contract termination before end of its term	1.0
(f) Others	0.2
Total	<u>4.2</u>

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

	The Group			The Company	
	31-Dec-16 US\$'000	31-Dec-15 US\$'000	30-Sep-16 US\$'000	31-Dec-16 US\$'000	31-Dec-15 US\$'000
ASSETS					
Current assets:					
Cash and cash equivalents	6,174	10,825	4,767	364	2,233
Pledged bank deposits	1,037	2,070	1,745	-	-
Trade receivables	29,789	37,317	28,525	-	-
Other receivables, deposits and prepayments	7,851	8,653	8,728	41,460	40,717
Tax recoverable	60	46	46	-	-
Held for trading investments	14	14	14	-	-
Inventories	18,901	20,336	24,573	-	-
Total current assets	63,826	79,261	68,398	41,824	42,950
Non-current assets:					
Property, plant and equipment	3,475	4,505	4,121	-	-
Goodwill	2,700	4,700	4,700	-	-
Intangible assets	62	2,358	1,832	-	-
Investments in subsidiaries	-	-	-	11,534	11,534
Deferred tax assets	434	321	444	-	-
Total non-current assets	6,671	11,884	11,097	11,534	11,534
Total assets	70,497	91,145	79,495	53,358	54,484
LIABILITIES AND EQUITY					
Current liabilities:					
Bank loans	9,637	17,162	18,494	-	-
Trade payables	20,618	27,676	20,168	-	-
Other payables	13,092	12,483	13,519	766	662
Tax payables	2,137	397	1,174	-	-
Current portion of finance lease payables	37	11	-	-	-
Total current liabilities	45,521	57,729	53,355	766	662

	The Group			The Company	
	31-Dec-16 US\$'000	31-Dec-15 US\$'000	30-Sep-16 US\$'000	31-Dec-16 US\$'000	31-Dec-15 US\$'000
Non-current liabilities:					
Bank loans	1,363	295	-	-	-
Finance lease payables	22	5	-	-	-
Deferred tax liabilities	-	1,087	1,205	-	-
Total non-current liabilities	1,385	1,387	1,205	-	-
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	37	(121)	(435)	-	-
Share option reserve	453	453	453	453	453
Accumulated loss	(234,443)	(225,015)	(231,946)	(201,015)	(199,785)
Equity attributable to owners of the Company	19,208	28,478	21,233	52,592	53,822
Non-controlling interests	4,383	3,551	3,702	-	-
Total equity	23,591	32,029	24,935	52,592	53,822
Total liabilities and equity	70,497	91,145	79,495	53,358	54,484

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

Group Borrowings and Debts securities		
	Group	
	As at 31 Dec 2016 US\$'000	As at 31 Dec 2015 US\$'000
<u>Amounts repayable in one year or less, or on demand</u>		
Unsecured	-	-
Secured	9,674	17,173
	9,674	17,173
<u>Amounts repayable after one year</u>		
Unsecured	-	-
Secured	1,385	300
	1,385	300

Details of any collateral:

As at 31 December 2016, the Group and the Company respectively have:

- (1) pledged bank deposits of US\$1,036,904 (31 Dec 2015: US\$2,070,280) and Nil (31 Dec 2015: Nil)
- (2) pledged held for trading investments of US\$13,456 (31 Dec 2015: US\$13,456) and Nil (31 Dec 2015: 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 2016 US\$'000	4Q 2015 US\$'000	Full Yr 2016 US\$'000	Full Yr 2015 US\$'000	Note 1 3Q 2016 US\$'000
Operating activities:					
Loss before income tax	(1,949)	(2,323)	(7,308)	(18,338)	(943)
Adjustments for:					
Amortisation expense	147	168	629	678	153
Depreciation expense	268	388	1,154	1,333	285
Interest expenses	352	344	1,343	796	306
Increase (decrease) in allowance for doubtful trade receivables	840	2,384	647	3,520	(159)
Increase in allowance for obsolete inventories	28	1,292	82	1,297	81
Fair value change of other financial assets	-	-	-	20	-
Loss on write off of property, plant and equipment	317	-	342	-	-
Loss (gain) on disposal of property, plant and equipment	9	5	(733)	(33)	(21)
Bad debt written off	583	1,452	602	1,464	6
Stock written off	200	-	200	138	-
Interest income	(17)	(17)	(39)	(143)	(7)
Impairment loss - Intangible assets	1,563	-	1,563	-	-
Impairment loss - Goodwill	2,000	-	2,000	-	-
Operating cash flows before movements in working capital	4,341	3,693	482	(9,268)	(299)
(Increase) decrease in trade receivables	(2,366)	(10,279)	6,580	(5,635)	(1,455)
Decrease in other receivables, deposits and prepayments	877	3,183	802	5,978	629
Decrease (increase) in inventories	5,492	(3,258)	1,182	(8,716)	599
Increase (decrease) in trade payables	450	9,002	(7,058)	(646)	(814)
(Decrease) increase in other payables	(426)	1,439	362	(1,510)	602
Cash generated from (used in) operating activities	8,368	3,780	2,350	(19,797)	(738)
Income taxes paid	(123)	(3,367)	(277)	(3,981)	(37)
Interest paid	(352)	(344)	(1,343)	(796)	(306)
Interest received	17	17	39	143	7
Net cash generated from (used in) operating activities	7,910	86	769	(24,431)	(1,074)

	4Q 2016 US\$'000	4Q 2015 US\$'000	Full Yr 2016 US\$'000	Full Yr 2015 US\$'000	Note 1 3Q 2016 US\$'000
Investing activities:					
Addition to intangible assets	-	(48)	(2)	(447)	(2)
(Purchase) adjustment of property, plant and equipment	(14)	85	(740)	(686)	(172)
Decrease (increase) in pledged bank deposits	708	1,539	1,033	3,449	(1,028)
Proceeds on disposal of property, plant and equipment	8	4	755	64	6
Disposal of held for trading investments	-	-	-	2,636	-
Net cash generated from (used in) investing activities	702	1,580	1,046	5,016	(1,196)
Financing activities:					
Repayment of bank loans	(8,167)	(39,826)	(39,526)	(90,780)	(8,687)
Decrease in trust receipts loans	-	-	-	(2,330)	-
Repayment of finance leases	(34)	(4)	(50)	(13)	-
New bank loans raised	816	39,426	33,150	86,417	8,844
Dividend paid to non-controlling interests	-	-	(247)	(291)	-
Net cash (used in) generated from financing activities	(7,385)	(404)	(6,673)	(6,997)	157
Net effect of exchange rate changes on the balance of cash held in foreign currencies / other adjustments	180	32	207	(689)	(361)
Net increase (decrease) in cash and cash equivalents	1,407	1,294	(4,651)	(27,101)	(2,474)
Cash and cash equivalent at beginning of period/year	4,767	9,531	10,825	37,926	7,241
Cash and cash equivalent at end of period/year	6,174	10,825	6,174	10,825	4,767

Note 1: 3Q2016 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
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 income for the year	-	-	-	-	-	158	-	-	158	-	158
Total comprehensive income (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
Balance at 1 Jan 2015	58,427	194,331	(1,138)	1,534	7	586	453	(206,962)	47,238	4,606	51,844
Loss for the year	-	-	-	-	-	-	-	(18,182)	(18,182)	(1,055)	(19,237)
Other comprehensive loss for the year	-	-	-	-	-	(760)	-	(78)	(838)	-	(838)
Total comprehensive loss for the year	-	-	-	-	-	(760)	-	(18,260)	(19,020)	(1,055)	(20,075)
Adjustments	-	-	-	-	-	53	-	207	260	-	260
Balance at 31 Dec 2015	58,427	194,331	(1,138)	1,534	7	(121)	453	(225,015)	28,478	3,551	32,029

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 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
Balance at 1 Jan 2015	58,427	194,331	(1,138)	1,534	-	-	453	(192,884)	60,723	-	60,723
Loss for the year	-	-	-	-	-	-	-	(6,901)	(6,901)	-	(6,901)
Total comprehensive loss for the year	-	-	-	-	-	-	-	(6,901)	(6,901)	-	(6,901)
Balance at 31 Dec 2015	58,427	194,331	(1,138)	1,534	-	-	453	(199,785)	53,822	-	53,822

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 2016 and 31 December 2016	1,168,546,867	58,427

Treasury Shares Changes

	No. of shares	US\$'000
Balance as at 1 January 2016 and 31 December 2016	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 16</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-16	31-Dec-15
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 2016.

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 2013.

However, please refer to paragraph (f) of "Important Cautionary Notes" stating the "Accounting Adjustments" based on the Group accounting policies which follow the relevant international accounting standards.

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 paragraph (f) of "Important Cautionary Notes" stating the "Accounting Adjustments" based on the Group accounting policies which follow the relevant international accounting standards.

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 2016	4Q 2015	Full Yr 2016	Full Yr 2015
Based on the weighted average number of ordinary shares on issue (US cents)	Note 1	-0.22	-0.29	-0.81	-1.56
On fully diluted basis (US Cents)	Note 2	-0.22	-0.29	-0.81	-1.56

Note 1) The weighted average number of ordinary shares in issue for 4Q2016 and FY2016: 1,163,394,742 (4Q2015 and FY2015: 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 4Q2016 and FY2016: 1,163,394,742 (4Q 2015 and FY2015: 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-16	31-Dec-15	31-Dec-16	31-Dec-15
Net asset value per ordinary share (US cents)	1.65	2.45	4.52	4.63
Net asset value per ordinary share as at 31 December 2016 and 31 December 2015 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 2016 as presented on Section 1(a) of this document.

Revenue

Business Divisions	Business Segments	4Q 2016 US\$m	4Q 2015 US\$m	YOY %	Full Yr 2016 US\$m	Full Yr 2015 US\$m	YOY %
ICT	ICT Solutions	26.3	29.4	-10.5	77.2	69.8	10.6
	Services / Software	10.0	9.7	3.1	26.5	25.0	6.0
	Sub-total	36.3	39.1	-7.2	103.7	94.8	9.4
	as % of overall sales	99.5%	98.2%		98.9%	92.0%	
Digital Media (TV related)	Digital Media Solutions	0.2	0.5	-60.0	1.1	7.0	-84.3
	as % of overall sales	0.5%	1.3%		1.0%	6.8%	
Mobile Solution Services	Mobile Solution Services	0.0	0.2	- 100.0	0.1	1.2	-91.7
	as % of overall sales	0.0%	0.5%		0.1%	1.2%	
Total		36.5	39.8	-8.4	104.9	103.0	1.8

Overview

The Group recorded a 1.8% year-on-year ("yoy") increase in revenue to US\$104.9 million in FY2016. The reason for such increase was a result of 1) the recovery of "ICT" divisions especially in Indonesia which outweighed; 2) the decreased revenue of a) restructuring divisions such as "Digital Media" and "Mobile Solution Services" in China; and b) slimming down operations such as Korea and other countries.

ICT

The Group's "ICT" division increased the revenue to US\$103.7 million in FY2016 with 9.4% yoy which accounts for most part (98.9%) of the Group's total revenue. The "Services / Software" segment has also increased moderately to US\$26.5 million in FY2016.

Digital Media & Mobile Solution Services

The Group's "Digital Media" division decreased the revenue to US\$1.1 million in FY2016 with -84.3% yoy. China business operation is shifting to "ICT" division and therefore the divisions of "Digital Media" and "Mobile Solution Services" shall be restructured for the overall Group's business optimization.

	4Q	4Q		Full Yr	Full Yr	
	2016	2015	YOY	2016	2015	YOY
Geographical Segment	US\$m	US\$m	%	US\$m	US\$m	%
China	2.8	4.0	-30.0	15.1	21.8	-30.7
as % of overall sales	7.7%	10.1%		14.4%	21.2%	
Indonesia	28.9	25.4	13.8	76.0	57.5	32.2
as % of overall sales	79.2%	63.8%		72.4%	55.8%	
Others	4.8	10.4	-53.8	13.8	23.7	-41.8
as % of overall sales	13.1%	26.1%		13.2%	23.0%	
Total	36.5	39.8	-8.4	104.9	103.0	1.8

Revenue from "China" region declined -30.7% yoy to US\$15.1 million in FY2016 mainly due to the sharp decline of "Digital Media" business. As a result, China's contribution reduced to 14.4% of the Group's total revenue for FY2016.

Revenue from "Indonesia" regained the lost ground with high level of growth at 32.2% yoy to US\$76.0 million in FY2016 supported by the demand for "Infrastructure Upgrade". Indonesia's contribution also increased to 72.4% in FY2016 of the Group's total revenue. However, the Group remains cautious for challenging business environment due to its capital intensive model for "Hardware" sales business.

Revenue from "Others" outside of "China" and "Indonesia" also recorded the decrease of -41.8% yoy to US\$13.8 million in FY2016 due to the restructuring for the overall group's business optimization. As a result, revenue contribution from "Others" decreased to 13.2% of the Group's total revenue at US\$104.9 million in FY2016.

Gross Margin

Gross margin declined by 0.96% to 21.29% in FY2016 due to the competitive "ICT" market environment.

Total Operating Expenses

The Group's total operating expenses decreased by 4.4% yoy to US\$11.1 million in 4Q2016 and decreased by 25.1% yoy to US\$31.1 million in FY2016.

Loss Before Tax

The Group's loss before tax was US\$7.3 million in FY2016 following the loss before tax of US\$18.3 million in FY2015 as a result of the positive impact of 1) the recovery of "ICT" divisions especially in Indonesia and the negative factor of 2) the restructuring expenses of US\$4.2 million.

Statements of Financial Position

The following paragraphs should be read in conjunction with our Statements of Financial Position as at 31 December 2016 as presented on Section 1(b) (i) of this document.

Total current assets decreased by US\$15.4 million to US\$63.8 million as at 31 December 2016 compared to the last year end unaudited figures. This was largely due to the net impact from:-

- US\$4.6 million decrease in cash and cash equivalents to US\$6.2 million;
- US\$1.0 million decrease in pledged and structured deposits;
- US\$7.5 million decrease in trade receivables to US\$29.8 million;
- US\$0.8 million decrease in other receivables, deposits and prepayments to suppliers; and
- US\$1.4 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 2016	79%	7%	5%	9%
30 September 2016	77%	7%	1%	15%
30 June 2016	76%	9%	7%	8%
31 March 2016	84%	3%	8%	5%
31 December 2015	83%	7%	7%	3%

Non-current assets were decreased by US\$5.2 million to US\$6.7 million as of 31 December 2016 as capital expenditure on property, plant and equipment and intangibles were less than the depreciation and amortization expenses during the year.

Total current liabilities have been also decreased by US\$12.2 million to US\$45.5 million as at 31 December 2016. This was due mainly to 1) a US\$7.5 million decrease in "Bank loans", 2) a US\$6.4 million decrease in "trade & other payables", and 3) a US\$1.7 million increase in "tax payable".

As at 31 December 2016, the Group's equity attributable to shareholders decreased by US\$9.3 million to US\$19.2 million mainly due to the loss of US\$9.4 million during FY2016.

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 on section 1(c) of this document.

The Group generated US\$0.8 million of cash in operating activities in FY2016 compared to US\$24.4 million utilized in FY2015. The Group had the decrease of trade and other receivable at US\$7.4 million in FY2016 compared to the decrease at US\$0.3 million in FY2015; and also the decrease in inventories by US\$1.2 million compared to the increase of US\$8.7 million in FY2015; and also the decrease of trade and other payable at US\$6.7 million compared to the decrease of US\$2.1 million in FY2015.

The Group generated US\$1.0 million of cash in investing activities for FY2016 as compared to US\$5.0 million cash generated in FY2015 mainly due to the decrease in "Pledge bank deposit" and the "Proceeds from sale of property, plant and equipment" in FY2016.

The Group had utilized the cash in financing activities amounting US\$6.7 million in FY2016 compared to US\$7.0 million in FY2015 due to that the "Repayment of bank loans" and "Decrease in trust receipt loans" outweighed the "New bank loan raised" in FY2016 compared to FY2015.

As a result of the above activities, the Group recorded a decrease in cash and cash equivalents at US\$4.6 million in FY2016 compared to the decrease of US\$27.1 million in FY2015.

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.

The Group remains cautious and continues to exercise prudence in view of the slower growth and challenging ICT business environment. As such, the Group is focusing on ICT business in emerging markets while shifting away from capital intensive hardware systems integration business and slimming down the operation in matured markets; which may result in lower revenue from "ICT" division.

However, the Group will continue to pursue opportunities in niche markets comprising IT security solutions, software, managed services and cloud computing. Although these solutions are relatively lower in business volume and market opportunities, they yield higher profitability and are in line with the Group's focus to generate more recurring revenue in software and services in the ICT division.

The Group sees the limitation of fund as a major obstacle in order to expand the business especially in emerging markets where capital intensive hardware systems integration is the major market opportunity.

Going forward, it is difficult for the Group to prospect for growth potential within the current "ICT" business division, while remaining vigilant due to the limitation of fund in undertaking projects with intensive working capital required.

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\$1.7m
<u>Transactions for the purchase of goods and services</u> KDDI Corporation and/or its Associates	-	US\$0.2m
Total Interested Person Transactions	-	US\$1.9m

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
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)
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
2015	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
REVENUE	69,833	25,082	7,043	1,139	103,097
RESULT					
Segment Result	8,878	11,342	2,369	343	22,932
Unallocated other operating income					331
Unallocated corporate expenses					(40,805)
Finance costs					(796)
Loss before income tax					(18,338)

	ICT Solutions	Services / Software	Digital Media Solutions	Mobile Solution Services	TOTAL
2015	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Segment assets	46,287	4,436	10,114	654	61,491
Unallocated corporate assets					29,654
Consolidated total assets					<u>91,145</u>
LIABILITIES					
Segment liabilities	24,442	2,343	5,340	345	32,470
Unallocated corporate liabilities					26,646
Consolidated total liabilities					<u>59,116</u>

GEOGRAPHICAL SEGMENTS				
	<u>Revenue from external customers</u>		<u>Non-current assets</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	US\$'000	US\$'000	US\$'000	US\$'000
China (including Hong Kong and Macao)	15,100	21,772	2,256	4,652
Indonesia	75,991	57,630	3,624	5,902
Others	13,841	23,695	357	1,009
Total	<u>104,932</u>	<u>103,097</u>	<u>6,237</u>	<u>11,563</u>
Note: Non-current assets exclude deferred tax assets.				

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.

18. A breakdown of sales as follows:—

	Group 31-Dec-16 US\$'000	Group 31-Dec-15 US\$'000	Group Incr/(Decr) %
1H			
(a) Sales reported for first half year	46,573	45,684	1.95%
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(4,999)	(8,153)	38.68%
2H			
(c) Sales reported for second half year	58,359	57,413	1.65%
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(3,103)	(11,084)	78.63%

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
31 March 2017