



Full Year Financial Statement And Dividend Announcement for the Year Ended 31 March 2014

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

**1(a)(i). A statement of 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 year ended 31 March 2014 ("FY2014")**

|                                                                        | <b>Group</b>   |                |                   |
|------------------------------------------------------------------------|----------------|----------------|-------------------|
|                                                                        | <b>FY2014</b>  | <b>FY2013</b>  | <b>Change</b>     |
|                                                                        | <b>S\$'000</b> | <b>S\$'000</b> | <b>Increase /</b> |
|                                                                        |                |                | <b>(Decrease)</b> |
|                                                                        |                |                | <b>%</b>          |
| Revenue                                                                | 11,130         | 2,543          | 337.68            |
| Cost of goods and services sold                                        | (1,863)        | (1,757)        | 6.06              |
| Gross profit                                                           | 9,267          | 786            | 1,079.00          |
| Gross profit %                                                         | 83.3%          | 30.9%          |                   |
| Other operating income                                                 | 1,220          | 1,125          | 8.44              |
| Selling and distribution expenses                                      | (1,056)        | (999)          | 5.71              |
| Administrative expenses                                                | (4,509)        | (6,398)        | (29.52)           |
| Other operating expenses                                               | (2,874)        | (3,390)        | (15.22)           |
| Finance costs                                                          | (613)          | (482)          | 27.18             |
| Operating expenses, net                                                | (7,832)        | (10,144)       | (22.79)           |
| <b>Profit / (loss) before income tax</b>                               | <b>1,435</b>   | <b>(9,358)</b> | <b>NM</b>         |
| Income tax                                                             | -              | -              | -                 |
| <b>Net profit / (loss) for the year - Note (i)</b>                     | <b>1,435</b>   | <b>(9,358)</b> | <b>NM</b>         |
| <b>Other comprehensive income:</b>                                     |                |                |                   |
| Currency translation differences arising from consolidation            | (17)           | 21             | NM                |
| <b>Total comprehensive income for the year</b>                         | <b>1,418</b>   | <b>(9,337)</b> | <b>NM</b>         |
| Net profit / (loss) attributable to shareholders of the Company        | 1,435          | (9,358)        |                   |
| Total comprehensive income attributable to shareholders of the Company | 1,418          | (9,337)        |                   |
| Earnings per share (cents)                                             |                |                |                   |
| - basic and diluted                                                    | 0.09           | (0.77)         |                   |

NM - not meaningful

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 profit / (loss) for the year

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

|                                                           | Group   |         |            |
|-----------------------------------------------------------|---------|---------|------------|
|                                                           | FY2014  | FY2013  | Change     |
|                                                           | Dr/(Cr) | Dr/(Cr) | Increase / |
|                                                           | S\$'000 | S\$'000 | (Decrease) |
|                                                           |         |         | %          |
| Amortisation of intangible assets                         | 2,723   | 2,874   | (5.25)     |
| Bad trade debts written off                               | -       | 120     | NM         |
| Depreciation of plant and equipment                       | 151     | 161     | (6.21)     |
| Reversal for project costs                                | -       | (154)   | NM         |
| Reversal for litigation damages                           | -       | (780)   | NM         |
| (Reversal of) / provision for litigation costs            | (766)   | 1,637   | NM         |
| Equity-settled share option expenses granted to employees | 105     | 178     | (41.01)    |
| Interest expense                                          | 613     | 482     | 27.18      |
| Interest income                                           | (28)    | (38)    | (26.32)    |

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 31 March 2014 ("FY2014")**

|                                                             | Note | Group<br>S\$'000 |               | Company<br>S\$'000 |               |
|-------------------------------------------------------------|------|------------------|---------------|--------------------|---------------|
|                                                             |      | FY2014           | FY2013        | FY2014             | FY2013        |
| <b>Assets</b>                                               |      |                  |               |                    |               |
| <b>Non-current assets</b>                                   |      |                  |               |                    |               |
| Plant and equipment                                         |      | 467              | 616           | 467                | 616           |
| Investments in subsidiaries                                 |      | -                | -             | 876                | 876           |
| Intangible assets                                           |      | 4,243            | 5,993         | 4,243              | 5,993         |
|                                                             |      | <u>4,710</u>     | <u>6,609</u>  | <u>5,586</u>       | <u>7,485</u>  |
| <b>Current assets</b>                                       |      |                  |               |                    |               |
| Inventories                                                 |      | 1,219            | 89            | 1,219              | 89            |
| Trade and other receivables                                 | 1    | 7,208            | 5,900         | 6,287              | 4,554         |
| Fixed deposit                                               |      | 4,086            | 11,733        | 4,086              | 11,733        |
| Cash and bank balances                                      |      | 1,989            | 37            | 1,808              | 22            |
|                                                             |      | <u>14,502</u>    | <u>17,759</u> | <u>13,400</u>      | <u>16,398</u> |
| <b>Total assets</b>                                         |      | <u>19,212</u>    | <u>24,368</u> | <u>18,986</u>      | <u>23,883</u> |
| <b>Equity and liabilities</b>                               |      |                  |               |                    |               |
| <b>Current liabilities</b>                                  |      |                  |               |                    |               |
| Loans & borrowings                                          | 2    | 33               | 11,360        | 33                 | 11,360        |
| Trade and other payables                                    | 3    | 10,026           | 7,996         | 9,709              | 7,822         |
| Provisions                                                  | 4    | 3,089            | 3,750         | 3,089              | 3,750         |
|                                                             |      | <u>13,148</u>    | <u>23,106</u> | <u>12,831</u>      | <u>22,932</u> |
| <b>Net current assets / (liabilities)</b>                   |      | 1,354            | (5,347)       | 569                | (6,534)       |
| <b>Non-current liabilities</b>                              |      |                  |               |                    |               |
| Loans & borrowings                                          | 2    | 114              | 147           | 114                | 147           |
| <b>Net assets</b>                                           |      | 5,950            | 1,115         | 6,041              | 804           |
| <b>Equity attributable to equity holders of the Company</b> |      |                  |               |                    |               |
| Share capital                                               |      | 112,709          | 109,184       | 112,709            | 109,184       |
| Share option reserve                                        |      | 578              | 520           | 578                | 520           |
| Translation reserve                                         |      | (240)            | (223)         | -                  | -             |
| Accumulated losses                                          |      | (107,097)        | (108,366)     | (107,246)          | (108,900)     |
| <b>Total equity</b>                                         |      | <u>5,950</u>     | <u>1,115</u>  | <u>6,041</u>       | <u>804</u>    |
| <b>Total equity and liabilities</b>                         |      | <u>19,212</u>    | <u>24,368</u> | <u>18,986</u>      | <u>23,883</u> |

Note 1: Trade and other receivables

|                                                                      | Group<br>S\$'000 |         | Company<br>S\$'000 |         |
|----------------------------------------------------------------------|------------------|---------|--------------------|---------|
|                                                                      | FY2014           | FY2013  | FY2014             | FY2013  |
| Trade receivables                                                    | 3,365            | 2,790   | 2,626              | 2,049   |
| Allowance for doubtful debts on trade receivables                    | (1,004)          | (1,004) | (1,004)            | (1,004) |
| <i>Net trade receivables</i>                                         | 2,361            | 1,786   | 1,622              | 1,045   |
| Accrued revenue                                                      | 2,605            | 2,463   | 2,605              | 2,463   |
| Allowance for impairment                                             | (343)            | (343)   | (343)              | (343)   |
|                                                                      | 2,262            | 2,120   | 2,262              | 2,120   |
| Other receivables                                                    | 1,530            | 939     | 1,527              | 937     |
| Allowance for doubtful debts on other receivables                    | (509)            | (509)   | (509)              | (509)   |
| <i>Net other receivables</i>                                         | 1,021            | 430     | 1,018              | 428     |
| Amount due from subsidiaries                                         | -                | -       | 1,385              | 961     |
| Receivable in respect of a guarantee from a director-cum-shareholder | 1,564            | 1,564   | -                  | -       |
| <i>Total trade and other receivables</i>                             | 7,208            | 5,900   | 6,287              | 4,554   |

Note 2: Loans and borrowings

|                                  | Group<br>S\$'000 |        | Company<br>S\$'000 |        |
|----------------------------------|------------------|--------|--------------------|--------|
|                                  | FY2014           | FY2013 | FY2014             | FY2013 |
| <i>Current</i>                   |                  |        |                    |        |
| Bank overdraft (Note (i))        | -                | 3,070  | -                  | 3,070  |
| Short-term loans (Note (i))      | -                | 7,500  | -                  | 7,500  |
| Obligations under finance leases | 33               | 31     | 33                 | 31     |
| Convertible bonds                | -                | 759    | -                  | 759    |
|                                  | 33               | 11,360 | 33                 | 11,360 |
| <i>Non-current</i>               |                  |        |                    |        |
| Obligations under finance leases | 114              | 147    | 114                | 147    |

*Note (i) As at 31 March 2013, the bank overdraft and short-term loans were secured by fixed deposits*

Note 3: Trade and other payables

|                                              | Group<br>S\$'000 |        | Company<br>S\$'000 |        |
|----------------------------------------------|------------------|--------|--------------------|--------|
|                                              | FY2014           | FY2013 | FY2014             | FY2013 |
| Trade payables                               | 2,032            | 1,428  | 2,029              | 1,428  |
| Accruals                                     | 1,031            | 1,037  | 753                | 885    |
| Deferred income                              | 4,154            | -      | 4,148              | -      |
| Due to directors-cum-shareholders            | 1,771            | 1,861  | 1,756              | 1,845  |
| Others payables                              | 385              | 408    | 381                | 402    |
| Deposits received for subscription of shares | -                | 2,350  | -                  | 2,350  |
| Salaries payable                             | 653              | 912    | 642                | 912    |
|                                              | 10,026           | 7,996  | 9,709              | 7,822  |

Note 4: Provisions

|                          | Group<br>S\$'000 |              | Company<br>S\$'000 |              |
|--------------------------|------------------|--------------|--------------------|--------------|
|                          | FY2014           | FY2013       | FY2014             | FY2013       |
| Litigation               | 1,259            | 2,062        | 1,259              | 2,062        |
| Foreseeable project loss | 1,275            | 1,275        | 1,275              | 1,275        |
| Unutilised leaves        | 555              | 413          | 555                | 413          |
|                          | <u>3,089</u>     | <u>3,750</u> | <u>3,089</u>       | <u>3,750</u> |

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

**Amount repayable in one year or less, or on demand**

| FY2014<br>S\$'000 |           | FY2013<br>S\$'000 |           |
|-------------------|-----------|-------------------|-----------|
| Secured           | Unsecured | Secured           | Unsecured |
| 33                | -         | 10,601            | -         |

**Amount repayable after one year**

| FY2014<br>S\$'000 |           | FY2013<br>S\$'000 |           |
|-------------------|-----------|-------------------|-----------|
| Secured           | Unsecured | Secured           | Unsecured |
| 114               | -         | 147               | -         |

At the end of the financial year, the secured borrowings comprise of a hire purchase arrangement for an asset (FY2013: (1) a hire purchase arrangement for an asset and (2) bank borrowings secured by fixed deposits).

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>Group<br/>S\$'000</b>  |                           |
|-----------------------------------------------------------|---------------------------|---------------------------|
|                                                           | <b>FY2014<br/>S\$'000</b> | <b>FY2013<br/>S\$'000</b> |
| <b>Cash flows from operating activities</b>               |                           |                           |
| Profit / (loss) before income tax                         | 1,435                     | (9,358)                   |
| Adjustments for:                                          |                           |                           |
| Amortisation of deferred development grant                | -                         | (55)                      |
| Amortisation of intangible assets                         | 2,723                     | 2,874                     |
| Bad debts written off                                     | -                         | 120                       |
| Depreciation of plant and equipment                       | 151                       | 161                       |
| Equity-settled share option expenses granted to employees | 105                       | 178                       |
| Equity-settled remuneration payment to a director         | -                         | 100                       |
| Reversal of provision for project costs                   | -                         | (154)                     |
| (Reversal of) / provision for litigation costs            | (766)                     | 1,637                     |
| Plant and equipment written off                           | 1                         | -                         |
| Unrealised exchange (gain) / loss                         | (17)                      | 21                        |
| Interest income                                           | (28)                      | (38)                      |
| Finance costs                                             | 613                       | 482                       |
| Operating cash flow before working capital changes        | 4,217                     | (4,032)                   |
| Trade and other receivables                               | (1,309)                   | (42)                      |
| Trade and other payables                                  | 4,574                     | (3,794)                   |
| Inventories                                               | (1,129)                   | 52                        |
| Cash generated from / (used in) operations                | 6,353                     | (7,816)                   |
| Interest paid                                             | (613)                     | (480)                     |
| Interest received                                         | 25                        | 16                        |
| Net cash generated from / (used in) operating activities  | 5,765                     | (8,280)                   |
| <b>Cash flows from investing activities</b>               |                           |                           |
| Additions to intangible assets                            | (973)                     | (1,482)                   |
| Acquisition of plant and equipment                        | (2)                       | (3)                       |
| Net cash used in investing activities                     | (975)                     | (1,485)                   |

**Consolidated Statement of Cash Flows (Cont'd)**

|                                                            | <b>Group<br/>S\$'000</b>  |                           |
|------------------------------------------------------------|---------------------------|---------------------------|
|                                                            | <b>FY2014<br/>S\$'000</b> | <b>FY2013<br/>S\$'000</b> |
| <b>Cash flows from financing activities</b>                |                           |                           |
| Repayment to hire purchase creditor                        | (31)                      | (29)                      |
| (Decrease) /increase in bills payable                      | -                         | (673)                     |
| (Repayment) / proceeds from a director-cum-shareholder     | (90)                      | 260                       |
| Repayment of loan from financial institution               | (10,570)                  | (650)                     |
| Fixed deposit pledged as security for banking facilities   | (1,227)                   | 1,975                     |
| Fixed deposits drawn down                                  | 8,877                     |                           |
| Proceeds from rights issue                                 | -                         | 2,213                     |
| Proceeds from placement shares                             | 1,175                     | 3,280                     |
| Share issue expenses                                       | (213)                     | (209)                     |
| (Redemption) / proceeds from issuance of convertible bonds | (759)                     | 1,242                     |
| Deposits received for subscription of shares               | -                         | 2,350                     |
| Net cash (used in) / generated from financing activities   | (2,838)                   | 9,759                     |
| Net increase / (decrease) in cash and cash equivalents     | 1,952                     | (6)                       |
| Cash and cash equivalents at beginning of the year         | 37                        | 43                        |
| Cash and cash equivalents at end of the year               | 1,989                     | 37                        |

**Non-Cash Transactions:**

In April 2013, the Company issued an aggregate of 150,000,000 subscription shares at a price of S\$0.0235, raising gross proceeds of S\$3,525,000 of which, S\$2,350,000 was received in March 2013 as deposits.

In previous financial year, the Company issued renounceable non-underwritten Rights issue of up to 328,485,455 new ordinary shares in the capital of the Company at an issue price of S\$0.018 for each Rights share on the basis of one (1) rights share for every three (3) existing ordinary shares in the capital Company. The Director cum shareholder took up 208,550,666 of these rights amounting to S\$3,753,912 in September 2012 and this amount was deducted from the money owed to the Director.

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.

| <b>Group<br/>FY2014</b>                  | <b>Share<br/>capital<br/>S\$'000</b> | <b>Share option<br/>reserve<br/>S\$'000</b> | <b>Translation<br/>reserve<br/>S\$'000</b> | <b>Accumulated<br/>losses<br/>S\$'000</b> | <b>Total<br/>S\$'000</b> |
|------------------------------------------|--------------------------------------|---------------------------------------------|--------------------------------------------|-------------------------------------------|--------------------------|
| At 1 April 2013                          | 109,184                              | 520                                         | (223)                                      | (108,366)                                 | 1,115                    |
| Total comprehensive income for the year  | -                                    | -                                           | (17)                                       | 1,435                                     | 1,418                    |
| Issuance of new shares                   | 3,525                                | -                                           | -                                          | -                                         | 3,525                    |
| Share issue expenses                     | -                                    | -                                           | -                                          | (213)                                     | (213)                    |
| Reversal of equity-settled share options | -                                    | (47)                                        | -                                          | 47                                        | -                        |
| Employee share option expense            | -                                    | 105                                         | -                                          | -                                         | 105                      |
| As at 31 March 2014                      | 112,709                              | 578                                         | (240)                                      | (107,097)                                 | 5,950                    |

| <b>Group<br/>FY2013</b>                        | <b>Share<br/>capital<br/>S\$'000</b> | <b>Share option<br/>reserve<br/>S\$'000</b> | <b>Translation<br/>reserve<br/>S\$'000</b> | <b>Accumulated<br/>losses<br/>S\$'000</b> | <b>Total<br/>S\$'000</b> |
|------------------------------------------------|--------------------------------------|---------------------------------------------|--------------------------------------------|-------------------------------------------|--------------------------|
| At 1 April 2012                                | 99,508                               | 353                                         | (244)                                      | (98,810)                                  | 807                      |
| Total comprehensive loss for the year          | -                                    | -                                           | 21                                         | (9,358)                                   | (9,337)                  |
| Issuance of new shares                         | 9,193                                | -                                           | -                                          | -                                         | 9,193                    |
| Share issue expenses                           | -                                    | -                                           | -                                          | (209)                                     | (209)                    |
| Conversion of shares during the financial year | 483                                  |                                             |                                            |                                           | 483                      |
| Reversal of equity-settled share options       | -                                    | (11)                                        | -                                          | 11                                        | -                        |
| Employee share option expense                  | -                                    | 178                                         | -                                          | -                                         | 178                      |
| As at 31 March 2013                            | 109,184                              | 520                                         | (223)                                      | (108,366)                                 | 1,115                    |

| <b>Company<br/>FY2014</b>                | <b>Share<br/>capital<br/>S\$'000</b> | <b>Share option<br/>reserve<br/>S\$'000</b> | <b>Accumulated<br/>losses<br/>S\$'000</b> | <b>Total<br/>S\$'000</b> |
|------------------------------------------|--------------------------------------|---------------------------------------------|-------------------------------------------|--------------------------|
| At 1 April 2013                          | 109,184                              | 520                                         | (108,900)                                 | 804                      |
| Total comprehensive income for the year  | -                                    | -                                           | 1,820                                     | 1,820                    |
| Issuance of new shares                   | 3,525                                | -                                           | -                                         | 3,525                    |
| Share issue expenses                     | -                                    | -                                           | (213)                                     | (213)                    |
| Reversal of equity-settled share options | -                                    | (47)                                        | 47                                        | -                        |
| Employee share option expense            | -                                    | 105                                         | -                                         | 105                      |
| As at 31 March 2014                      | 112,709                              | 578                                         | (107,246)                                 | 6,041                    |

| <b>Company<br/>FY2013</b>                      | <b>Share<br/>capital<br/>S\$'000</b> | <b>Share option<br/>reserve<br/>S\$'000</b> | <b>Accumulated<br/>losses<br/>S\$'000</b> | <b>Total<br/>S\$'000</b> |
|------------------------------------------------|--------------------------------------|---------------------------------------------|-------------------------------------------|--------------------------|
| At 1 April 2012                                | 99,508                               | 353                                         | (94,450)                                  | 5,411                    |
| Total comprehensive loss for the year          | -                                    | -                                           | (14,252)                                  | (14,252)                 |
| Issuance of new shares                         | 9,193                                | -                                           | -                                         | 9,193                    |
| Share issue expenses                           | -                                    | -                                           | (209)                                     | (209)                    |
| Conversion of shares during the financial year | 483                                  | -                                           | -                                         | 483                      |
| Reversal of equity-settled share options       | -                                    | (11)                                        | 11                                        | -                        |
| Employee share option expense                  | -                                    | 178                                         | -                                         | 178                      |
| As at 31 March 2013                            | 109,184                              | 520                                         | (108,900)                                 | 804                      |

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.

|                                         | <b><u>No. of ordinary shares</u></b> | <b><u>Share capital<br/>S\$'000</u></b> |
|-----------------------------------------|--------------------------------------|-----------------------------------------|
| At start of the year                    | 1,417,183,371                        | 109,184                                 |
| Placement shares issued during the year | 150,000,000                          | 3,525                                   |
| At end of the year                      | 1,567,183,371                        | 112,709                                 |

**Issuance of new ordinary shares during FY2014:**

The Company issued an aggregate of 150,000,000 subscription shares at a price of S\$0.0235. The shares were listed and quoted on the SGX-ST on 9 April 2013.

Save as disclosed, there were no other shares issued during FY2014.

**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.**

The Company did not have any treasury shares at 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 period reported on.**

The Company did not have any treasury shares at 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 year presented.

**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 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.**

|                                                                                                               | FY2014 | FY2013  |
|---------------------------------------------------------------------------------------------------------------|--------|---------|
| Consolidated net profit / (loss) attributable to the equity holders of the Company (S\$'000)                  | 1,435  | (9,358) |
| Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share (million) | 1,565  | 1,214   |
| Earnings / (loss) per share - basic and diluted (cents)                                                       | 0.09   | (0.77)  |

The basic and fully diluted earnings / (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 year.

**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 |        |
|---------------------------------------------------------------------------------------------|--------|--------|---------|--------|
|                                                                                             | FY2014 | FY2013 | FY2014  | FY2013 |
| Net assets (S\$'000)                                                                        | 5,950  | 1,115  | 6,041   | 804    |
| Number of shares outstanding (million)                                                      | 1,567  | 1,417  | 1,567   | 1,417  |
| Net asset value per ordinary share based on issued share capital at end of the year (cents) | 0.38   | 0.08   | 0.39    | 0.06   |

**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.**

## **COMPREHENSIVE INCOME STATEMENT**

### **Revenue and Earnings Analysis**

The Group recorded revenue of S\$11.13 million for FY2014, compared with S\$2.54 million recorded in FY2013. The revenue in FY2014 was generated from projects, maintenance contracts and sales of products. The increase is attributed mainly to new contracts secured.

Gross profit margin has increased from 30.9% in FY2013 to 83.3% in FY2014 due to profit margin from projects which contributed significantly to the Group's revenue in FY2014.

Accordingly, the Group recorded net profit after tax of S\$1.44 million for FY2014, compared with net loss after tax of S\$9.36 million for FY2013.

### **Administrative Expenses**

The administrative expenses reduced from S\$6.40 million in FY2013 to S\$4.51 million in FY2014. The reduction was mainly due to certain one-off professional fees of S\$0.27 million incurred in FY2013 with respect to potential acquisitions which were subsequently aborted and provision for legal costs of S\$1.63 million made in FY2013 in respect of the legal suit which had been concluded save for determination of legal costs.

### **Other Operating Expenses**

Other operating expenses reduced marginally by S\$0.52 million mainly due to reduction of amortisation expenses of S\$0.15 million as certain intangible assets have since been fully amortised in FY2013, bad trade debts written off of S\$0.12 million and exchange loss of S\$0.10 million recorded in FY2013.

### **Finance Costs**

Finance costs increased marginally by S\$0.13 million mainly due to interests incurred on convertible bonds which have since been redeemed during the financial year.

## **STATEMENT OF FINANCIAL POSITION**

### **Non-current assets**

Non-current assets reduced by S\$1.90 million mainly due amortisation of intangible assets and depreciation of plant and equipment of S\$2.72 million and S\$0.15 million respectively in FY2014, set off by additions to intangible assets of S\$0.97 million.

### **Current assets**

Current assets of the Group totalled S\$14.50 million as at FY2014 with a decrease of S\$3.26 million from S\$17.76 million as at FY2013. The decrease was mainly due to withdrawal of fixed deposits (pledged for overdrafts facilities and term loan) of S\$8.88 million to pay off overdraft used and term loan, set off by an increase in fixed deposit pledged against banking facilities of S\$1.23 million, inventories of S\$1.13 million, trade and other receivables of S\$1.31 million and cash and cash equivalents of S\$1.95 million.

### **Non-current liabilities**

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

## **Current liabilities**

The Group reported current liabilities of S\$13.15 million as at FY2014, a decrease of S\$9.96 million from S\$23.11 million as at FY2013. The decrease was mainly due to repayment of bank borrowings and redemption of convertible bonds of S\$10.57 million and S\$0.76 million respectively in FY2014.

## **CASH FLOWS**

Cash generated from operating activities was S\$5.77 million in FY2014 compared to net cash of S\$8.28 million used in FY2013. The cash generated from operating activities was mainly attributed to the net profit recorded and changes in working capital.

Cash used in investing activities reduced by S\$0.51 million in FY2014 as compared to FY2013 due to reduction in additions to intangible assets.

Net cash used in financing activities was S\$2.84 million for FY2014 compared with net cash generated of S\$9.76 million for FY2013. Net cash used in financial activities was mainly attributed to repayment of bank borrowings and redemption of convertible bonds of S\$10.57 million and S\$0.76 million respectively, set off by net proceeds from issuance of shares during the year presented of S\$0.97 million and fixed deposits drawn down to pay off the bank borrowings.

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

Save for the announcement made on 30 September 2013, 22 January 2014 and 3 February 2014, 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.**

Resulting from the Group's continuing efforts to market and sell its products and capabilities globally, the Group succeeded in securing new contracts in FY2014, which included, among others, the contract to deploy its iFerret™ intelligent Airfield/Runway Surveillance and Foreign Object & Debris (FOD) Detection System for rapid airfield damage assessment in one of the world's top air forces, and the contract to install its iFerret™ for the Runway Debris Management System (RDMS) at Dubai International Airport in the United Arab Emirates, as previously announced.

Going forward, the Group will continue to engage potential customers such as airports of various countries, where discussions are on-going, and to build on its channel-partner network to grow its market reach globally for all of the Group's products and capabilities. The Group is currently in the midst of competing in and/or preparing for several tenders.

In view of the nature of its business, the Group may continue to experience delays in the issue of tenders and award of contracts, and there is inherent uncertainty of success due to competition.

Operationally, the Group will continue to focus on cost effectiveness and project execution to enhance its profit margin and cash flow, and to review the Group's structure to streamline and enhance its operations. The Group continues to be committed to seeking ways to monetise and unlock the full potential and value of its trove of intellectual properties.

## **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 year 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.**

The Group's operations are organised into two core business activities.

The first is the e-Systems projects and services division comprising:

- expertise and activities as a systems and technology developer in developing, hosting and operating IT e-business projects; and
- expertise and activities in developing and providing e-business applications, services and infrastructure.

The second is the Technology-intensive IT division comprising:

- expertise and activities in computer vision systems; and
- expertise and activities in intelligent transport systems.

Some e-Business projects and services incorporate or integrate with computer vision and intelligent transport systems.

The Group's diversified business segments and related information are as follows:

(a) By business segments

Segment revenue and expense: These are the operating revenue and expense reported in the Group's income statement that are directly attributable to a segment and the relevant portions of such revenue and expense, where applicable, are allocated to that segment on a reasonable and consistent basis.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of receivables, inventories and plant and equipment, net of allowances and provisions. Capital expenditure includes the total costs incurred to acquire assets expected to have future benefits over more than one reporting period which are directly attributable to the segment, such as, plant and equipment and intangible assets. Segment liabilities include all operating liabilities of the segment and consist principally of trade payables and accrued expenses.

| <b>FY2014</b>                     | <b>(S\$'000)</b> | <b><u>E-Business</u></b> | <b><u>Technology -<br/>Intensive IT</u></b> | <b><u>Group</u></b> |
|-----------------------------------|------------------|--------------------------|---------------------------------------------|---------------------|
| Revenue                           |                  | <u>1,470</u>             | <u>9,660</u>                                | <u>11,130</u>       |
| Segmented results                 |                  | <u>991</u>               | <u>8,276</u>                                | 9,267               |
| Other operating income            |                  |                          |                                             | 1,220               |
| Selling and distribution expenses |                  |                          |                                             | (1,056)             |
| Administrative expenses           |                  |                          |                                             | (4,509)             |
| Other operating expenses          |                  |                          |                                             | (2,874)             |
| Finance costs                     |                  |                          |                                             | (613)               |
| Profit before taxation            |                  |                          |                                             | <u>1,435</u>        |
| Taxation                          |                  |                          |                                             | -                   |
| Net profit for the year           |                  |                          |                                             | <u>1,435</u>        |
| <b>Assets</b>                     |                  | <b>152</b>               | <b>9,901</b>                                | <b>10,053</b>       |
| Unallocated assets                |                  |                          |                                             | 9,159               |
| Consolidated total assets         |                  |                          |                                             | <u>19,212</u>       |
| <b>Liabilities</b>                |                  |                          |                                             |                     |
| Liabilities                       |                  | <b>3</b>                 | <b>6,701</b>                                | <b>6,704</b>        |
| Unallocated liabilities           |                  |                          |                                             | 6,558               |
| Consolidated total liabilities    |                  |                          |                                             | <u>13,262</u>       |

**Other information**

|                                   |     |       |              |
|-----------------------------------|-----|-------|--------------|
| Capital expenditure (unallocated) |     |       | <u>2</u>     |
|                                   |     |       | <u>2</u>     |
| Intangible assets                 | -   | 973   | 973          |
| Intangible assets (unallocated)   |     |       | <u>-</u>     |
|                                   |     |       | <u>973</u>   |
| Depreciation                      | - # | - #   | - #          |
| Depreciation (unallocated)        |     |       | <u>151</u>   |
|                                   |     |       | <u>151</u>   |
| Amortisation                      | 67  | 2,656 | 2,723        |
| Amortisation (unallocated)        |     |       | <u>-</u>     |
|                                   |     |       | <u>2,723</u> |

# denote less than S\$1000

**13. Segment Information (cont'd)****(a) By business segments (cont'd)**

| <b>FY2013</b>                   | <b>(S\$'000)</b> | <b>E-Business</b> | <b>Technology -<br/>Intensive IT</b> | <b>Group</b>   |
|---------------------------------|------------------|-------------------|--------------------------------------|----------------|
| Revenue                         |                  | <u>1,255</u>      | <u>1,288</u>                         | <u>2,543</u>   |
| Segmented results               |                  | <u>375</u>        | <u>411</u>                           | 786            |
| Other operating income          |                  |                   |                                      | 1,125          |
| Selling & distribution expenses |                  |                   |                                      | (999)          |
| Administrative expenses         |                  |                   |                                      | (6,398)        |
| Other operating expenses        |                  |                   |                                      | (3,390)        |
| Finance cost                    |                  |                   |                                      | (482)          |
| Loss before taxation            |                  |                   |                                      | <u>(9,358)</u> |
| Taxation                        |                  |                   |                                      | -              |
| Net loss for the year           |                  |                   |                                      | <u>(9,358)</u> |
| <b>Assets</b>                   |                  | 414               | 9,991                                | 10,405         |
| Unallocated assets              |                  |                   |                                      | 13,963         |
| Consolidated total assets       |                  |                   |                                      | <u>24,368</u>  |
| <b>Liabilities</b>              |                  |                   |                                      |                |
| Liabilities                     |                  | 585               | 3,209                                | 3,794          |
| Unallocated liabilities         |                  |                   |                                      | 19,459         |
| Consolidated total liabilities  |                  |                   |                                      | <u>23,253</u>  |
| <b>Other information</b>        |                  |                   |                                      |                |
| Capital expenditure             |                  |                   |                                      | <u>3</u>       |
|                                 |                  |                   |                                      | <u>3</u>       |

|                                 |     |       |              |
|---------------------------------|-----|-------|--------------|
| Intangible assets               |     | 1,482 | 1,482        |
| Intangible assets (unallocated) |     |       | -            |
|                                 |     |       | <u>1,482</u> |
| Depreciation                    | 18  | 9     | 27           |
| Depreciation (unallocated)      |     |       | 134          |
|                                 |     |       | <u>161</u>   |
| Amortisation                    | 189 | 2,685 | 2,874        |
| Amortisation (unallocated)      |     |       | -            |
|                                 |     |       | <u>2,874</u> |

**(b) By Geographical segments**

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods/services:

|                 | Group             |                   |
|-----------------|-------------------|-------------------|
|                 | FY2014<br>S\$'000 | FY2013<br>S\$'000 |
| Singapore       | 2,684             | 2,488             |
| South East Asia | -                 | 16                |
| USA             | 5,054             | 7                 |
| Middle East     | 3,392             | -                 |
| Europe          | -                 | 32                |
|                 | <u>11,130</u>     | <u>2,543</u>      |

The following is an analysis of the carrying amounts of segment assets and additions to capital expenditure analysed by the geographical areas in which the assets were located :

|           | Carrying amounts of segment assets |                   | Additions to plant and equipment and intangible assets |                   |
|-----------|------------------------------------|-------------------|--------------------------------------------------------|-------------------|
|           | FY2014<br>S\$'000                  | FY2013<br>S\$'000 | FY2014<br>S\$'000                                      | FY2013<br>S\$'000 |
| Singapore | 19,039                             | 24,362            | 975                                                    | 1,485             |
| USA       | 173                                | 6                 | -                                                      | -                 |
|           | <u>19,212</u>                      | <u>24,368</u>     | <u>975</u>                                             | <u>1,485</u>      |

**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 as follows:**

|                                                                       | FY2014<br>S\$'000 | FY2013<br>S\$'000 | Change<br>% |
|-----------------------------------------------------------------------|-------------------|-------------------|-------------|
| (a) Revenue reported for the first half-year                          | 1,276             | 1,179             | 8.23        |
| (b) Operating loss after tax reported for first half-year             | (3,527)           | (4,202)           | (16.06)     |
| (c) Revenue reported for the second half-year                         | 9,854             | 1,364             | 622.44      |
| (d) Operating profit / (loss) after tax reported for second half-year | 4,962             | (5,156)           | NM          |

**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")**

(a) Dr. David K.M. Chew ("Dr. Chew") provided a continuing guarantee for the recovery of outstanding debts from Procurement Bureau of the Republic of China, Taiwan, Ministry of National Defence ("MOND") and EDS Electronic Data Systems (HK) LTD ("EDS").

(b) During FY2014, Mr. Lim Kim Choon, a director of the Company and a subsidiary of the Company has rendered consultancy service to the subsidiary with a fee of S\$99,600 (FY2013: S\$99,600).

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<br>S\$ | Aggregate value of IPT conducted under<br>shareholders' mandate pursuant to Rule<br>920 of the Listing Manual |
|----------------------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Dr. David K.M. Chew (Para 17(a)) | 2,303,669                                 | Nil                                                                                                           |
| Lim Kim Choon (Para 17 (b))      | 99,600                                    | Nil                                                                                                           |

Other than those disclosed above, there are no IPT under shareholders' mandate or IPT disclosable under Chapter 9 of the Listing

**18. 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). If there are no such persons, the issuer must make an appropriate negative statement.**

| Name                    | Age | Family relationship with any<br>director, CEO and/or<br>substantial shareholder | Current position and duties, and<br>the year the position was first<br>held | Details of changes in duties<br>and position held, if any,<br>during the year |
|-------------------------|-----|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| David Chew Khien Meow   | 56  | Leong Sook Ching (spouse of<br>David Chew Khien Meow)                           | Executive Chairman (2000)                                                   | Nil                                                                           |
| Leong Sook Ching        | 48  | David Chew Khien Meow<br>(spouse of Leong Sook Ching)                           | Executive Director (2000), Chief<br>Corporate Officer (2008)                | Nil                                                                           |
| Kennedy Chew Khien Mien | 52  | Brother of David Chew Khien<br>Meow and brother-in-law of<br>Leong Sook Ching   | Technical Fellow (2004)                                                     | Nil                                                                           |

Dr. David K.M. Chew  
Executive Chairman

Ms. Leong Sook Ching  
Executive Director

28 May 2014