Company Registration No. 200407031R

ARTIVISION TECHNOLOGIES LTD.

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Karen Soh, Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	3 Months			12 Months		
	1 Jan 2014 to 31 Mar 2014	1 Jan 2013 to 31 Mar 2013	+/-	1 Apr 2013 to 31 Mar 2014	1 Apr 2012 to 31 Mar 2013	+/-
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	1,572	2	N.M.	2,011	236	752
Cost of sales	(935)	-	N.M.	(1,226)	(13)	N.M.
Gross profit	637	2	N.M.	785	223	252
Gross profit - %	41%	100%		39%	94%	
Other losses (Net)	(831)	-	N.M.	(830)	-	N.M.
Distribution expenses	(133)	(192)	(31)	(659)	(806)	(18)
Administrative expenses	(883)	(589)	50	(2,963)	(2,285)	30
Other operating expenses (including research and development expense)	(402)	(451)	(11)	(1,749)	(1,969)	(11)
Other income	2	8	(75)	13	16	(19)
Share of loss of a joint venture	(10)	-	N.M.	(381)	-	N.M.
Loss before income tax	(1,620)	(1,222)	33	(5,784)	(4,821)	20
Income tax expense	(8)	(6)	33	(23)	(25)	(8)
Net loss for the period/year	(1,628)	(1,228)	33	(5,807)	(4,846)	20
Other comprehensive income, net of tax						
Currency translation differences arising from consolidation	(9)	18	N.M.	30	3	N.M.
Total comprehensive loss	(1,637)	(1,210)	35	(5,777)	(4,843)	19

N.M. – not meaningful

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

(i) Loss for the period/year is arrived at after (charging)/crediting the following:

	3 Months			12 Months		
	1 Jan 2014 to 31 Mar 2014	1 Jan 2013 to 31 Mar 2013	+/-	1 Apr 2013 to 31 Mar 2014	1 Apr 2012 to 31 Mar 2013	+/-
	S$'000	S$'000	%	S$'000	S$'000	%
Depreciation of property, plant and equipment	(119)	(16)	644	(213)	(74)	188
Amortisation of intangible assets	(62)	(2)	N.M.	(90)	(10)	800
Allowance for inventories obsolescence	(3)	(2)	50	(9)	(37)	(76)
Gain on disposal of property, plant and equipment	2	-	N.M.	2	-	N.M.
Property, plant and equipment written off	-	-	-	(1)	-	N.M.
Allowance for doubtful debts	-	(19)	N.M.	-	(19)	N.M.
Other losses (Net)						
Other operating income	6	-	N.M.	7	-	N.M.
Impairment loss on non-trade debts to a joint venture	(837)	-	N.M.	(837)	-	N.M.
	(831)	-	N.M.	(830)	-	N.M.
Bad debts expenses off	-	-	N.M.	-	-*	N.M.
Other income						
Interest income from bank deposits	-	6	N.M.	7	25	(72)
Currency translations gain/(losses) - net	2	2	-	6	(9)	N.M.
	2	8	(75)	13	16	(19)

N.M. – not meaningful
** - Amount less than S$1,000*

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Group		Company	
	31 Mar 2014 S$'000	31 Mar 2013 S$'000	31 Mar 2014 S$'000	31 Mar 2013 S$'000
ASSETS				
Current assets				
Cash and cash equivalents	2,931	5,624	2,378	5,287
Trade and other receivables	903	38	9,186	2,283
Other current assets	436	355	103	167
Inventories	294	21	11	21
	4,564	**6,038**	**11,678**	**7,758**
Non-current assets				
Available-for-sale financial asset	2,670	-*	2,670	-*
Investments in subsidiaries	-	-	1,316	1
Investment in joint venture	-	-*	-	-
Property, plant and equipment	3,054	79	55	17
Intangible assets	1,150	13	-	-
	6,874	**92**	**4,041**	**18**
Total assets	**11,438**	**6,130**	**15,719**	**7,776**
LIABILITIES				
Current liability				
Trade payables and other liabilities	2,707	413	2,333	403
Non-current liability				
Loans from shareholder	2,750	2,750	2,750	2,750
Total liabilities	**5,457**	**3,163**	**5,083**	**3,153**
NET ASSETS	**5,981**	**2,967**	**10,636**	**4,623**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	45,964	37,718	45,964	37,718
Other reserves	2,100	1,525	2,112	1,567
Accumulated losses	(42,083)	(36,276)	(37,440)	(34,662)
Total equity	**5,981**	**2,967**	**10,636**	**4,623**

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

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

Amount repayable in one (1) year or less, or on demand

	As at 31 March 2014		As at 31 March 2013	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Bank borrowings	-	-	-	-
Loans from shareholder	-	-	-	-

Amount repayable after one (1) year

	As at 31 March 2014		As at 31 March 2013	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Bank borrowings	-	-	-	-
Loans from shareholder	-	2,750	-	2,750

Details of any collateral

The loans from shareholder are interest-free and unsecured. The settlement of the amount is at the discretion of the Company and is not likely to occur within the next twelve (12) months.

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
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	12 months ended 31 Mar 2014 S$'000	12 months ended 31 Mar 2013 S$'000
Cash flows from operating activities		
Net loss	(5,807)	(4,846)
Adjustments for		
- Income tax expense	23	25
- Amortisation of intangible assets	90	10
- Depreciation of property, plant and equipment	213	74
- Unrealised currency translation (gain)/losses	(-*)	2
- Interest income	(7)	(25)
- Gain on disposal of property, plant and equipment	(2)	-
- Property, plant and equipment written off	1	-
- Allowance for inventories obsolescence	9	37
- Impairment loss on non-trade debts to a joint venture	837	-
- Bad debts expenses off	-	-*
- Share of loss of a joint venture	381	-
- Employee share option expenses	559	661
	(3,703)	(4,062)
Change in working capital, net of effects on acquisition of a subsidiary:		
- Inventories	(135)	10
- Trade and other receivables	(264)	81
- Other current assets	48	(92)
- Trade payables and other liabilities	(1,370)	(210)
Cash used in operations	(5,424)	(4,273)
Interest received	10	26
Income tax paid	7	(47)
Net cash used in operating activities	(5,407)	(4,294)
Cash flows from investing activities		
Net cash acquired from the acquisition of a subsidiary	106	-
Additions of intangible assets	-	(1)
Additions of property, plant and equipment	(493)	(57)
Sales proceeds on disposal of property, plant and equipment	34	
Investment in joint venture	-	-*
Net cash used in investing activities	(353)	(58)
Cash flows from financing activities		
Proceeds from new share options granted	-	-*
Proceeds from share placement	4,363	-
Proceeds from exercise of share options	40	755
Proceeds from issuance of call option	-	2,500
Share issue expenses	(156)	(8)
Loans to a joint venture	(1,195)	(23)
Net cash from financing activities	3,052	3,224
Net decrease in cash and cash equivalents	**(2,708)**	**(1,128)**
Cash and cash equivalents		
Beginning of financial year	5,624	6,756
Effects of currency translation on cash and cash equivalents	15	(4)
End of financial year	**2,931**	**5,624**

** Amount less than S$1,000*

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014/2013

Group	Share capital	Currency translation reserve	Share option reserve	Capital reserve	Accumulated losses	Total attributable to equity holders of the Company
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2013						
Beginning of financial year	34,097	(45)	1,100	180	(31,430)	3,902
Total comprehensive loss for the year	-	3	-	-	(4,846)	(4,843)
Issue of new shares from the exercise of the call option	2,500	-	-	-	-	2,500
Reversal of equity component for the call option in convertible loan	180	-	-	(180)	-	-
Share issue expenses	(8)	-	-	-	-	(8)
Value of employee services received for issue of share options	-	-	661	-	-	661
Proceeds from new share options granted	-	-	-*	-	-	-*
Share options exercised	949	-	(194)	-	-	755
End of financial year	37,718	(42)	1,567	-*	(36,276)	2,967
2014						
Beginning of financial year	37,718	(42)	1,567	-*	(36,276)	2,967
Total comprehensive loss for the year	-	30	-	-	(5,807)	(5,777)
Value of employee services received for issue of share options	-	-	559	-	-	559
Issuance of consideration shares for acquisition of a subsidiary **	1,315	-	-	-	-	1,315
Issuance of consideration shares for investment ***	2,670	-	-	-	-	2,670
Share placement	4,363	-	-	-	-	4,363
Share issue expenses	(156)	-	-	-	-	(156)
Share options exercised	54	-	(14)	-	-	40
End of financial year	45,964	(12)	2,112	-*	(42,083)	5,981

* *Amount less than S$1,000*

** *Pursuant to the Singapore Financial Reporting Standards 103, the consideration value for the acquisition of Colibri Assembly (Thailand) Co., Ltd. was based on the closing market price of the Company's shares as at the completion date of the acquisition of S$0.09 per share, instead of the issue price of S$0.13 per share as stated in the sale and purchase agreement. Please refer to the Company's announcements dated 26 September 2013 and 23 October 2013 for further details.*

*** *Pursuant to the Singapore Financial Reporting Standards 39, the consideration value for the subscription of 4.99% of the issued and paid-up capital of 212 DB Corp was based on the closing market price of the Company's shares as at the completion date of the subscription of S$0.083 per share, instead of the issue price of S$0.207 per share as stated in the conditional subscription agreement. Please refer to the Company's announcements dated 18 December 2013, 20 December 2013 and 23 December 2013 for further details.*

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014/2013

Company	Share capital	Share option reserve	Capital reserve	Accumulated losses	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000
2013					
Beginning of financial year	34,097	1,100	180	(32,034)	3,343
Total comprehensive loss for the year	-	-	-	(2,628)	(2,628)
Issue of new shares from the exercise of the call option	2,500	-	-	-	2,500
Reversal of equity component for the call option in convertible loan	180	-	(180)	-	-
Share issue expenses	(8)	-	-	-	(8)
Value of employee services received for issue of share options	-	661	-	-	661
Proceeds from new share options granted	-	-*	-	-	-*
Share options exercised	949	(194)	-	-	755
End of financial year	37,718	1,567	-*	(34,662)	4,623
2014					
Beginning of financial year	37,718	1,567	-*	(34,662)	4,623
Total comprehensive loss for the year	-	-	-	(2,778)	(2,778)
Value of employee services received for issue of share options	-	559	-	-	559
Issuance of consideration shares for acquisition of a subsidiary **	1,315	-	-	-	1,315
Issuance of consideration shares for investment ***	2,670	-	-	-	2,670
Share placement	4,363	-	-	-	4,363
Share issue expenses	(156)	-	-	-	(156)
Share options exercised	54	(14)	-	-	40
End of financial year	45,964	2,112	-*	(37,440)	10,636

* *Amount less than S$1,000*

** *Pursuant to the Singapore Financial Reporting Standards 103, the consideration value for the acquisition of Colibri Assembly (Thailand) Co., Ltd. was based on the closing market price of the Company's shares as at the completion date of the acquisition of S$0.09 per share, instead of the issue price of S$0.13 per share as stated in the sale and purchase agreement. Please refer to the Company's announcements dated 26 September 2013 and 23 October 2013 for further details.*

*** *Pursuant to the Singapore Financial Reporting Standards 39, the consideration value for the subscription of 4.99% of the issued and paid-up capital of 212 DB Corp was based on the closing market price of the Company's shares as at the completion date of the subscription of S$0.083 per share, instead of the issue price of S$0.207 per share as stated in the conditional subscription agreement. Please refer to the Company's announcements dated 18 December 2013, 20 December 2013 and 23 December 2013 for further details.*

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.

	Number of Shares	Share Capital
		S$'000
Issued and fully paid ordinary shares		
Balance at 1 January 2014	602,392,641	43,343
Consideration shares for acquisition of an available-for-sale financial asset	32,163,551	2,670
Share issue expenses	-	(49)
Balance at 31 March 2014	634,556,192	45,964

As at 31 March 2014, the total number of share options outstanding was 28,751,500 (31 March 2013: 35,936,250).

On 28 September 2013, the Company entered into subscription agreements with GMCM Asia Alpha Fund, GMCM Asia Special Situation Fund, GMCM Global Equity Opportunity Fund, Ms Lynette Le Mercier, Mr Tan Ah Lye, TAL Capital Pte Ltd, Mr Andrew Ong Hock Sing and Ms Chia Kee Neo Elsie ("Subscribers"), pursuant to which the Company had agreed to grant options to the Subscribers to subscribe for an aggregate of 35,700,000 new ordinary shares in the capital of the Company ("Call Options") at S$0.12222 per Call Option. As at 31 March 2014, none of the Call Options were exercised and will expire on 27 September 2015.

The total number of Call Options outstanding as at 31 March 2014 was 35,700,000 (31 March 2013: Nil).

The Company did not have any treasury shares as at 31 March 2014 and 31 March 2013.

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

The Company has no treasury shares.

	As at 31 March 2014	As at 31 March 2013
Total issued shares	634,556,192	551,603,256

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

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year as those applied in the preparation of the audited financial statements for the financial year ended 31 March 2013.

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

(a) Basic loss per share based on the weighted average number of ordinary shares on issue; and

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	3 Months		12 Months	
	1 Jan 2014 to 31 Mar 2014	1 Jan 2013 to 31 Mar 2013	1 Apr 2013 to 31 Mar 2014	1 Apr 2012 to 31 Mar 2013
Net loss attributable to equity holders of the Company (S$'000)	(1,628)	(1,228)	(5,807)	(4,846)
Weighted average number of ordinary shares outstanding for basic loss per share	627,766,109	546,759,878	578,953,208	537,005,722
Basic loss per share (cents per share)	(0.26)	(0.22)	(1.00)	(0.90)

(b) Diluted loss per share on a fully diluted basis (detailing any adjustments made to the earnings)

For the purpose of calculating diluted loss per share, net loss attributable to equity holders of the Company and the weighted average number of ordinary shares in issue are adjusted for the dilutive effects of potential share issues.

The Company has two (2) categories of dilutive potential ordinary shares, which are share options and call options.

For share options, the weighted average number of shares in issue has been adjusted as if all dilutive share options were exercised. The number of shares that would have been issued upon the exercise of all dilutive share options less the number of shares that would have been issued at fair value (determined as the Company's average share price for the financial period) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net loss.

Call options are assumed to have been converted into ordinary shares at issuance if it is dilutive.

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

(b) **Diluted loss per share on a fully diluted basis (detailing any adjustments made to the earnings)** (continued)

Diluted loss per share attributable to equity holders of the Company is calculated as follows:

	3 Months		12 Months	
	1 Jan 2014 to 31 Mar 2014	1 Jan 2013 to 31 Mar 2013	1 Apr 2013 to 31 Mar 2014	1 Apr 2012 to 31 Mar 2013
Net loss used to determine diluted loss per share (S$'000)	(1,628)	(1,228)	(5,807)	(4,846)
Weighted average number of ordinary shares outstanding for basic loss per share	627,766,109	546,759,878	578,953,208	537,005,722
Adjustments for				
- Share options	268,347	4,343,098	1,387,183	6,433,297
	628,034,456^	551,102,976^	580,340,391^	543,439,019^

The following share options and call options were excluded from the diluted weighted average number of ordinary share calculation as their effect would have been anti-dilutive:

Date of grant of options	As at 31 March 2014	As at 31 March 2013
28 November 2007	Nil	Nil
16 January 2009	Nil	Nil
2 July 2009	4,379,250	Nil
20 July 2010	Nil	Nil
22 March 2011	Nil	Nil
23 June 2011	9,080,000	5,895,000
23 December 2011	4,613,000	Nil
22 August 2012	7,580,000	8,401,438
28 September 2013	18,094,521	Nil

^ In the current financial year, although the options granted were dilutive in nature, the diluted loss per share was computed based on the weighted average number of shares of 627,766,109 shares (31 March 2013: 546,759,878) for the 3 months ended 31 March 2014 and 578,953,208 shares (31 March 2013: 537,005,722) for the 12 months ended 31 March 2014 as the Group had incurred losses.

	3 Months		12 Months	
	1 Jan 2014 to 31 Mar 2014	1 Jan 2013 to 31 Mar 2013	1 Apr 2013 to 31 Mar 2014	1 Apr 2012 to 31 Mar 2013
Diluted loss per share (cents per share)	(0.26)	(0.22)	(1.00)	(0.90)

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year:

	Group		Company	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Net asset value per ordinary share (S$ cents)	0.94	0.54	1.68	0.84

Net asset value per ordinary share is calculated based on 634,556,192 shares in issue as at 31 March 2014 (551,603,256 shares in issue as at 31 March 2013).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

GROUP FINANCIAL PERFORMANCE

Consolidated Statement of Comprehensive Income

Revenue for the twelve (12) months ended 31 March 2014 ("FY 2014") increased to S$2.01 million from S$0.24 million for the previous corresponding twelve (12) months ended 31 March 2013 ("FY 2013"). The increase was mainly attributable to the revenue contributed by the Group's newly acquired subsidiary, Colibri Assembly (Thailand) Co., Ltd ("CAT"), which is in the Contract Manufacturing business. Revenue from the Contract Manufacturing business accounted for approximately 97% of the Group's total revenue in FY 2014. This resulted in an increase in costs of sales from approximately S$13K in FY 2013 to S$1.23 million in FY 2014.

Gross profit margin decreased to 39% for FY 2014 from 94% for FY 2013 mainly due to a higher proportion of revenue from Contract Manufacturing business in FY 2014, which generally had a lower gross profit margin.

The aggregate of distribution, administrative and other operating expenses for FY 2014 increased by S$0.31 million compared to FY 2013. This was mainly due to the followings:-

1. Consolidation of CAT's operating expenses of approximately S$0.39 million pursuant to the acquisition of CAT;
2. Office renovation costs for the Singapore new office of approximately S$29K;
3. Increase in amortisation of intangible assets mainly due to amortization of intangible assets arising from the recognition of CAT's customer contract at the acquisition date of approximately S$80K; and
4. Increase in legal fee mainly due to acquisition of CAT of approximately S$52K.

The increase in distribution, administrative and other operating expenses was partially offset by the followings:-

1. Decrease in share options expenses of approximately S$102K for FY 2014 as most of the share options granted by the Group have been fully vested;
2. Decrease in marketing, promotion expenses, entertainment and overseas business expenses of approximately S$61K;
3. Decrease in outsourcing of research and development expenses of approximately S$78K due to the completion of the development of the new features in the video servers for Media Solutions business and algorithm services;

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. (continued)

Other losses of S$0.83 million for FY 2014 were mainly related to allowance of impairment loss on non-trade loans to our 40%-owned joint venture company, Artimedia Limited, of S$0.84 million. The loans made to Artimedia Limited were mainly used for the acquisition of advertising space from advertising publishers.

Share of loss of joint venture of S$0.38 million for FY 2014 related to losses incurred by Artimedia Limited.

Income tax expense arose from corporate tax paid/payable to the Israeli Tax Authority by our subsidiary in Israel.

Statement of Financial Position

Current assets decreased from S$6.04 million as at 31 March 2013 to S$4.56 million as at 31 March 2014, mainly due to a decrease in cash and cash equivalents of S$2.69 million. This was offset by an increase in trade and other receivables, other current assets and inventories of S$1.22 million.

Cash and cash equivalents decreased from S$5.62 million as at 31 March 2013 to S$2.93 million as at 31 March 2014. This was mainly due to loans of S$1.20 million extended to Artimedia Limited for working capital purposes, S$5.41 million used for the Group's operating expenses and S$0.50 million used for the purchase of plants and equipments. This was offset by net proceeds received from exercise of share options and a share placement totaling S$4.25 million.

Trade and other receivables increased from S$38K as at 31 March 2013 to S$0.90 million as at 31 March 2014, mainly due to the increase in trade receivables of S$0.83 million for the Contract Manufacturing business. The loans receivable from Artimedia Limited were fully impaired as Artimedia Limited continued to make losses. Allowance of impairment was made on a prudent basis.

Other current assets increased from S$0.36 million as at 31 March 2013 to S$0.44 million as at 31 March 2014, mainly due to an increase in other current assets of CAT of S$0.15 million.

Non-current assets increased from S$92K as at 31 March 2013 to S$6.87 million as at 31 March 2014, due to an increase in available-for-sale financial assets and property, plant and equipment as well as intangible assets.

Available-for-sale financial asset increased by S$2.67 million due to the investment made in 212 DB Corp. ("212 DB") pursuant to the subscription agreement dated 17 December 2013 for an interest of 4.99% of the issued and paid-up share capital of 212 DB.

Property, plant and equipment increased from S$79K as at 31 March 2013 to S$3.10 million as at 31 March 2014 mainly due to the acquisition of CAT, which was partially offset by depreciation charges for the year. Similarly, the increase in intangible assets, from S$13K as at 31 March 2013 to S$1.20 million as at 31 March 2014 was attributable to the recognition of CAT's customer contract as an intangible asset arising from the acquisition of CAT.

Current liabilities increased from S$0.41 million as at 31 March 2013 to S$2.71 million as at 31 March 2014. This was mainly due to an increase in trade payables and other liabilities of the advance payment from undertaking shareholders of S$1.77 million pursuant to the Deed of Undertaking relating to the Rights Issue announced on 3 March 2014 and the Contract Manufacturing business of S$0.35 million.

Non-current liability remained unchanged at S$2.75 million as at 31 March 2013 and 31 March 2014.

Total equity increased from S$3.00 million as at 31 March 2013 to S$5.98 million as at 31 March 2014, mainly due to an increase in share capital from the issuance of new shares as working capital and as consideration for the acquisitions of CAT and 212 DB. This was offset by an increase in accumulated losses.

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. (continued)

Consolidated Statement of Cash flows

Net cash used in operating activities for FY 2014 was S$5.41 million, mainly due to losses incurred by the Group. Net cash used in investing activities for FY2014 was S$0.35 million, mainly due to the additions of property, plant and equipment at S$0.49 million and the net cash and cash equivalent arising from the acquisition of CAT. Net cash from financial activities for FY2014 was S$3.05 million due to the proceeds from share placement of S$4.36 million that was offset by the loans of S$1.20 million extended to Artimedia Limited for working capital purposes and share issue expenses of S$0.16 million incurred for the share placement as well as acquisitions of CAT and 212 DB.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Company had in April 2014, completed a renounceable and partially underwritten rights issue exercise of 253,822,476 new ordinary shares in the capital of the Company ("**Rights Issue**"). The net proceeds from the Rights Issue, amounting to approximately S$4.7 million, will be utilised for the Group's general and corporate working capital purposes.

(i) Media Solutions

The Group's Media Solutions division had started to generate positive revenue stream since the 3rd quarter of FY 2014, with the revenue mainly derived from Israel. We are continuing our marketing efforts to improve the pick-up rate of our advertisement server technologies, particularly in PRC, where the Group is cautiously optimistic of the business prospects.

(ii) Video Management Equipment and Solutions

We continue to explore with various system providers in Japan, Malaysia, Dubai, PRC and Abu Dhabi to market our Video Management Solutions. We have received enquiries for our facial recognition application from prospective customers in some South East Asia countries and are still working with the relevant parties to follow up on these sales leads.

(iii) Contract Manufacturing Business

We have completed our acquisition of CAT in early December 2013. CAT is a contract manufacturer of disk drive technology products for the US-based multinational corporation, W.L Gore & Associates Inc ("Gore"). Gore is a manufacturer of a wide range of innovative high performance products in the fabrics, electrical, industrial and medical fields with sales of over US$3 billion. CAT has been in operations since mid-July 2013. Since the date of acquisition, CAT has contributed to revenue of S$1.96 million to the Group. Barring any unforeseen circumstances, we are cautiously optimistic on the business outlook for CAT.

11. Dividends.

Not applicable.

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

No dividend has been declared or recommended.

13. Use of proceeds from the Rights Issue

As at the date of this announcement, the Group has not utilised any of the net proceeds from the Rights Issue of S$4.7 million. The Company will make periodic announcements on the SGXNET as and when the net proceeds from the Rights Issue are materially disbursed.

14. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate from shareholders for interested person transactions.

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statement, with comparative information for the immediately preceding year.

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chairman and Executive Directors (the chief operating decision maker) will review internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

(a) Video Management Equipment and Solutions: includes supply of intelligent monitoring system, software licensing and maintenance.
(b) Media Solutions: includes the rendering of video monetisation services to advertisers and publishers, whereby advertisements are delivered in and around video content.
(c) Contract Manufacturing Business: includes manufacturing of disk drive technology products.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's Chairman and Executive Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The segment information provided to the Chairman and Executive Directors for the reportable segments are as follows:

Business segments

	Video Management Equipment and Solutions		Media Solutions		Contract Manufacturing Business		Total	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Segment revenue	46	227	7	9	1,958	-	2,011	236
Reportable segment loss before income tax	(674)	(1,200)	(4,008)	(2,768)	106	-	(4,576)	(3,968)
Other material non-cash items:								
Depreciation of property, plant and equipment	6	13	-	-	119	-	125	13
Amortisation of intangible assets	-	1	8	9	82	-	90	10

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statement, with comparative information for the immediately preceding year. (continued)

Business segments (continued)

	Video Management Equipment and Solutions		Media Solutions		Contract Manufacturing Business		Total	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Assets and liabilities:								
Reportable segment assets	18	52	17	41	5,128	-	5,163	93
Reportable segment liabilities	156	181	196	80	341	-	693	261
Other segment information:								
Capital expenditure of property, plant and equipment	-	8	-	-	405	-	405	8
Capital expenditure of intangible assets	-	1	-	-	1,225	-	1,225	1

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

(a) Reconciliations

(i) Segment loss

A reconciliation of reportable segment revenues and profit or loss is as follows:

	2014 S$'000	2013 S$'000
Revenues		
Total revenue for reportable segments	2,011	236
Consolidated revenue	2,011	236
Profit or loss		
Total profit or loss for reportable segments	(4,576)	(3,968)
Unallocated amounts:		
- Administrative expenses	(1,134)	(809)
- Other operating expenses	(87)	(60)
- Other income	13	16
Consolidated loss before income tax	(5,784)	(4,821)

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

(ii) Segment assets

The amounts provided to the Chairman and Executive Directors with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Chairman and Executive Directors monitor the property, plant and equipment, intangible assets, inventories, receivables and operating cash attributable to each segment. All assets are allocated to reportable segments other than cash and cash equivalents, available-for-sale financial asset, property, plant and equipments, other receivables such as interest receivables, corporate services and other current assets such as prepayments, deposits and advances to employees.

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statement, with comparative information for the immediately preceding year. (continued)

(ii) Segment assets (continued)

Segment assets are reconciled to total assets as follows:

	2014 S$'000	2013 S$'000
Segment assets for reportable segments	5,163	93
Unallocated:		
Cash and cash equivalents	2,931	5,624
Trade and other receivables	56	3
Other current assets	349	340
Property, plant and equipment	269	70
Available-for-sale financial assets	2,670	-*
Consolidated total assets	11,438	6,130

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

(iii) Segment liabilities

The amounts provided to the Chairman and Executive Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than accrued professional fees such as audit fees, tax fees, secretarial fees, advance payments from share option holders and shareholders, accrued shared payroll expenses and directors' fees.

Segment liabilities are reconciled to total liabilities as follows:

	2014 S$'000	2013 S$'000
Segment liabilities for reportable segments	693	261
Unallocated:		
Trade payables and other liabilities	2,014	152
Loans from shareholder	2,750	2,750
Consolidated total liabilities	5,457	3,163

(b) Geographical information

The Group's three business segments operate primarily in three main geographical areas. In Asia, where the Company is located, the areas of operation of the Group are principally video management equipment and solutions and contract manufacturing business.

The main activities in Europe, Middle East and Africa ("EMEA") and North America consist of media solutions.

The following table presents revenue information by geographical areas for the financial years ended 31 March 2014 and 2013.

	Segment revenue		Non-current assets	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Asia	2,004	235	4,159	17
EMEA	3	1	45	75
North America	4	-*	2,670	-
	2,011	236	6,874	92

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

16. 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 Section 8.

17. A breakdown of sales as follows:

Group	2014 S$'000	2013 S$'000	% Change + / -
First Half			
Revenue reported for the first half-year	20	78	(74)
Loss reported for the first half-year	(2,975)	(2,496)	19
Second Half			
Revenue reported for the second half-year	1,991	158	N.M.
Loss reported for the second half-year	(2,832)	(2,350)	21

N.M. – not meaningful

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

Not applicable.

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

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Philip Soh
Non-Executive Chairman

Kenneth Goh
Executive Director and Chief Operating Officer

23 May 2014