



**Company Registration No. 200407031R**

## **ARTIVISION TECHNOLOGIES LTD.**

### **UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013**

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 Mr Chia Beng Kwan, Director, 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 2013**

	3 Months			12 Months		
	1 Jan 2013 to 31 Mar 2013	1 Jan 2012 to 31 Mar 2012	+/-	1 Apr 2012 to 31 Mar 2013	1 Apr 2011 to 31 Mar 2012	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	2	123	(98)	236	320	(26)
Cost of sales	-	(43)	N.M.	(13)	(179)	(93)
<b>Gross profit</b>	2	80	(98)	223	141	58
<b>Gross profit - %</b>	100%	65%		94%	44%	
Distribution expenses	(192)	(259)	(26)	(806)	(1,000)	(19)
Administrative expenses	(589)	(609)	(3)	(2,285)	(2,112)	8
Other operating expenses (including research and development expense)	(451)	(428)	5	(1,969)	(1,837)	7
Other income/(expenses)	8	1	700	16	(3)	N.M.
Loss before income tax	(1,222)	(1,215)	1	(4,821)	(4,811)	-
Income tax expense	(6)	(7)	(14)	(25)	(24)	4
<b>Net loss for the period/year</b>	(1,228)	(1,222)	(1)	(4,846)	(4,835)	-
<b>Other comprehensive income, net of tax</b>						
Currency translation differences arising from consolidation	18	(4)	N.M.	3	(34)	N.M.
<b>Total comprehensive loss</b>	(1,210)	(1,226)	(1)	(4,843)	(4,869)	(1)

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

	3 Months			12 Months		
	1 Jan 2013 to 31 Mar 2013	1 Jan 2012 to 31 Mar 2012	+/-	1 Apr 2012 to 31 Mar 2013	1 Apr 2011 to 31 Mar 2012	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of plant and equipment	(16)	(29)	(45)	(74)	(192)	(61)
Amortisation of intangible assets	(2)	(3)	(33)	(10)	(14)	(29)
Allowance for inventories obsolescence	(2)	(-*)	N.M.	(37)	(38)	(3)
Gain on disposal of plant and equipment	-	(1)	(100)	-	3	N.M.
Allowance for doubtful debts and bad debts expenses off	(19)	-	-	(19)	-	-
<u>Other (expense)/income</u>						
Interest income from bank deposits	6	6	-	25	12	108
Currency translations gain/(losses) - net	2	(5)	N.M.	(9)	(15)	(40)
	8	1	700	16	(3)	N.M.

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 2013

	Group		Company	
	31 Mar 2013 S\$'000	31 Mar 2012 S\$'000	31 Mar 2013 S\$'000	31 Mar 2012 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	5,624	6,756	5,287	6,311
Trade and other receivables	38	99	2,283	83
Other current assets	355	262	167	104
Inventories	21	68	21	68
	<b>6,038</b>	<b>7,185</b>	<b>7,758</b>	<b>6,566</b>
<b>Non-current assets</b>				
Available-for-sale financial asset	_*	_*	_*	_*
Investments in subsidiaries	-	-	1	1
Investment in joint venture	_*	-	-	-
Plant and equipment	79	98	17	29
Intangible assets	13	22	-	1
	<b>92</b>	<b>120</b>	<b>18</b>	<b>31</b>
<b>Total assets</b>	<b>6,130</b>	<b>7,305</b>	<b>7,776</b>	<b>6,597</b>
<b>LIABILITIES</b>				
<b>Current liability</b>				
Trade payables and other liabilities	413	653	403	504
<b>Non-current liability</b>				
Loans from shareholder	2,750	2,750	2,750	2,750
<b>Total liabilities</b>	<b>3,163</b>	<b>3,403</b>	<b>3,153</b>	<b>3,254</b>
<b>NET ASSETS</b>	<b>2,967</b>	<b>3,902</b>	<b>4,623</b>	<b>3,343</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	37,718	34,097	37,718	34,097
Other reserves	1,525	1,235	1,567	1,280
Accumulated losses	(36,276)	(31,430)	(34,662)	(32,034)
<b>Total equity</b>	<b>2,967</b>	<b>3,902</b>	<b>4,623</b>	<b>3,343</b>

\* - 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

	<b>As at 31 March 2013</b>		<b>As at 31 March 2012</b>	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Bank borrowings	-	-	-	-
Loans from shareholder	-	-	-	-

Amount repayable after one (1) year

	<b>As at 31 March 2013</b>		<b>As at 31 March 2012</b>	
	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 neither planned nor likely to occur in 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 2013**

	Group	
	12 months ended 31 Mar 2013 S\$'000	12 months ended 31 Mar 2012 S\$'000
<b>Cash flows from operating activities</b>		
Net loss	(4,846)	(4,835)
Adjustments for		
- Income tax expense	25	24
- Amortisation of intangible assets	10	14
- Depreciation of plant and equipment	74	192
- Unrealised currency translation losses	2	1
- Interest income	(25)	(12)
- Gain on disposal of plant and equipment	-	(3)
- Allowance for inventories obsolescence	37	38
- Bad debts expenses off	-*	-
- Employee share option expenses	661	417
	(4,062)	(4,164)
<b>Change in working capital:</b>		
- Inventories	10	17
- Trade and other receivables	81	65
- Other current assets	(92)	(23)
- Trade payables and other liabilities	(210)	(43)
	(4,273)	(4,148)
<b>Cash used in operations</b>	(4,273)	(4,148)
Interest received	26	9
Income tax paid	(47)	(1)
<b>Net cash used in operating activities</b>	(4,294)	(4,140)
<b>Cash flows from investing activities</b>		
Additions of intangible assets	(1)	(17)
Additions of plant and equipment	(57)	(15)
Disposal of plant and equipment	-	6
Investment in joint venture	-*	-
<b>Net cash used in investing activities</b>	(58)	(26)
<b>Cash flows from financing activities</b>		
Proceeds from new share options granted	-*	-*
Proceeds from exercise of share options	755	1,843
Proceeds from issuance of convertible loan	-	5,000
Proceeds from issuance of call option	2,500	-
Proceeds from share placement	-	2,500
Share issue expense	(8)	(24)
Loan to joint venture	(23)	-
Proceeds of loan from shareholder	-	750
<b>Net cash from financing activities</b>	3,224	10,069
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,128)</b>	<b>5,903</b>
<b>Cash and cash equivalents</b>		
Beginning of financial year	6,756	873
Effects of currency translation on cash and cash equivalents	(4)	(20)
<b>End of financial year</b>	<b>5,624</b>	<b>6,756</b>

\* Amount less than S\$1,000

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013/2012**

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
<b>2012</b>						
Beginning of financial year	24,459	(11)	1,182	-	(26,595)	(965)
Total comprehensive loss for the year	-	(34)	-	-	(4,835)	(4,869)
Issue of new shares from share placement	2,500	-	-	-	-	2,500
Issue of new shares from the conversion of the convertible loan	4,820	-	-	-	-	4,820
Call option in convertible loan	-	-	-	180	-	180
Share issue expenses	(24)	-	-	-	-	(24)
Value of employee services received for issue of share options	-	-	417	-	-	417
Share options exercised	2,342	-	(499)	-	-	1,843
Proceeds from new share options granted	-	-	-*	-	-	-*
<b>End of financial year</b>	<b>34,097</b>	<b>(45)</b>	<b>1,100</b>	<b>180</b>	<b>(31,430)</b>	<b>3,902</b>
<b>2013</b>						
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
<b>End of financial year</b>	<b>37,718</b>	<b>(42)</b>	<b>1,567</b>	<b>-*</b>	<b>(36,276)</b>	<b>2,967</b>

\* Amount less than S\$1,000

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013/2012**

<b>Company</b>	<b>Share capital</b>	<b>Share option reserve</b>	<b>Capital reserve</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>2012</b>					
Beginning of financial year	24,459	1,110	-	(27,144)	(1,575)
Total comprehensive loss for the year	-	-	-	(4,890)	(4,890)
Issue of new shares from share placement	2,500	-	-	-	2,500
Issue of new shares from the conversion of the convertible loan	4,820	-	-	-	4,820
Call option in convertible loan	-	-	180	-	180
Share issue expenses	(24)	-	-	-	(24)
Value of employee services received for issue of share options	-	489	-	-	489
Share options exercised	2,342	(499)	-	-	1,843
Proceeds from new share options granted	-	_*	-	-	_*
<b>End of financial year</b>	<b>34,097</b>	<b>1,100</b>	<b>180</b>	<b>(32,034)</b>	<b>3,343</b>
<b>2013</b>					
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
<b>End of financial year</b>	<b>37,718</b>	<b>1,567</b>	<b>_*</b>	<b>(34,662)</b>	<b>4,623</b>

\* Amount less than S\$1,000



**1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State 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
<b>Issued and fully paid ordinary shares</b>		
Balance at 1 January 2013	534,973,256	34,539
Exercise of call options	13,888,000	2,500
Reversal of equity component for the call option in convertible loan	-	180
Share issue expenses	-	(8)
Exercise of employee share options	2,742,000	507
Balance at 31 March 2013	<u>551,603,256</u>	<u>37,718</u>

As at 31 March 2013, the total number of share options outstanding was 35,936,250 (31 March 2012: 37,050,937).

On 4 January 2012, the Company entered into a convertible loan agreement with Ching Chiat Kwong (the "Lender"), pursuant to which the Lender had agreed to grant to the Company loans of up to S\$5.0 million in principal amount, convertible into such number of new ordinary shares in the share capital of the Company (the "Conversion Shares") at an issue price of S\$0.20 for each Conversion Share. The convertible loan was drawn down on 27 January 2012. On 30 January 2012, 25,000,000 Conversion Shares was issued and allotted to the Lender pursuant to the terms of the convertible loan agreement.

Pursuant to the convertible loan agreement, the Company granted the Lender and Christine Poh Chew Hua (the "Nominee") the right to subscribe for such number of shares in the share capital of the Company (the "Option Shares") at an issue price of S\$0.18 for each Option Share, subject to a maximum subscription amount of S\$1.25 million for each of the Lender and Nominee (the "Call Option"). On 23 January 2013, 13,888,000 Option Shares were issued and allotted to the Lender and Nominee pursuant to the terms of the convertible loan agreement. As at 31 March 2013, 13,888,000 Option Shares were exercised and 888 Option Shares had expired on 26 January 2013. (31 March 2012: None of the Option Shares had been exercised).

The total number of Option Shares outstanding as at 31 March 2013 was Nil (31 March 2012: 13,888,888).

The Company did not have any treasury shares as at 31 March 2013 and 31 March 2012.

**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 2013	As at 31 March 2012
<b>Total issued shares</b>	<u>551,603,256</u>	<u>532,115,256</u>

**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 reporting year as those applied in the preparation of the audited financial statements for the financial year ended 31 March 2012.

**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 2013 to 31 Mar 2013	1 Jan 2012 to 31 Mar 2012	1 Apr 2012 to 31 Mar 2013	1 Apr 2011 to 31 Mar 2012
Net loss attributable to equity holders of the Company (\$'000)	(1,228)	(1,222)	(4,846)	(4,835)
Weighted average number of ordinary shares outstanding for basic loss per share	546,759,878	519,645,608	537,005,722	498,309,620
Basic loss per share (cents per share)	(0.22)	(0.24)	(0.90)	(0.97)

**(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, 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.

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.

**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: (continued)**

**(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 2013 to 31 Mar 2013	1 Jan 2012 to 31 Mar 2012	1 Apr 2012 to 31 Mar 2013	1 Apr 2011 to 31 Mar 2012
Net loss used to determine diluted loss per share (S\$'000)	(1,228)	(1,222)	(4,846)	(4,835)
Weighted average number of ordinary shares outstanding for basic loss per share	546,759,878	519,645,608	537,005,722	498,309,620
Adjustments for				
- Share options	4,343,098	11,075,412	6,433,297	5,231,033
- Call options	-	13,888,888	-	13,888,888
	551,102,976 <sup>^</sup>	544,609,908 <sup>^</sup>	543,439,019 <sup>^</sup>	517,429,541 <sup>^</sup>

The following share 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 2013	As at 31 March 2012
28 November 2007	Nil	Nil
16 January 2009	Nil	748,770
2 July 2009	Nil	Nil
20 July 2010	Nil	Nil
22 March 2011	Nil	Nil
23 June 2011	5,895,000	11,990,000
23 December 2011	Nil	3,525,000
22 August 2012	8,401,438	Nil

<sup>^</sup> 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 546,759,878 (31 March 2012: 519,645,608) shares for 3 months ended 31 March 2013 and 537,005,722 (31 March 2012: 498,309,620) shares for 12 months ended 31 March 2013 as the Group was making losses.

	3 Months		12 Months	
	1 Jan 2013 to 31 Mar 2013	1 Jan 2012 to 31 Mar 2012	1 Apr 2012 to 31 Mar 2013	1 Apr 2011 to 31 Mar 2012
Diluted loss per share (cents per share)	(0.22)	(0.24)	(0.90)	(0.97)

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 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Net asset value per ordinary share (S\$ cents)	0.54	0.73	0.84	0.63

Net asset value per ordinary share is calculated based on 551,603,256 shares in issue as at 31 March 2013 (532,115,256 shares in issue as at 31 March 2012).

**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 2013 ("FY 2013") decreased by 26% to S\$236,000 from S\$320,000 for the previous corresponding twelve (12) months ended 31 March 2012 ("FY 2012"). This was mainly due to decrease in revenue from the Media Solutions business as the Company is phasing in the new advertisement server technologies to our customers. This was partially offset by the increase in revenue from Video Management Equipment and Solutions business relating to the licensing of our software.

Gross profit margin increased to 94% for FY 2013 from 44% for FY 2012 mainly due to a higher proportion of revenue from Video Management Equipment and Solutions business (as mentioned above), which had a higher gross profit margin.

The aggregate of distribution, administrative and other operating expenses for FY 2013 were S\$5.1 million as compared with S\$4.9 million for FY 2012. This was mainly due to the following:

1. Increase in share option expenses of approximately S\$243,000 in FY 2013 compared to FY 2012 due to additional share options being granted;
2. Increase in outsourcing of research and development expenses of approximately S\$162,000 for developing the new features in the video servers for Media Solutions business.

The increase was partially offset by a decrease in depreciation of plant and equipment and amortization of intangible assets of about S\$122,000 and a decrease in overall payroll expenses of about S\$62,000 due to a reduction in staff headcount.

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\$7.2 million as at 31 March 2012 to S\$6.0 million as at 31 March 2013 were mainly due to decrease in cash and cash equivalents, trade and other receivables and inventories. This was offset by a slight increase in other current assets.

Trade and other receivables decreased from S\$99,000 as at 31 March 2012 to S\$38,000 as at 31 March 2013 mainly due to the decrease in trade receivables, which is in line with the decrease in revenue.

Other current assets increased from S\$262,000 as at 31 March 2012 to S\$355,000 as at 31 March 2013 mainly due to the increase in rental deposits for the new office lease.

**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)**

Inventories decreased from S\$68,000 as at 31 March 2012 to S\$21,000 as at 31 March 2013 mainly due to allowance for inventories obsolescence.

As at 31 March 2012, current liabilities stood at S\$0.4 million compared with S\$0.7 million as at 31 March 2012. This was mainly due to decrease in trade payables and other liabilities arising from the timing difference in receipt of the bills from suppliers relating to operating expenses as at current financial year end compared to previous financial year end.

Cash and cash equivalents decreased from S\$6.8 million as at 31 March 2012 to S\$5.6 million as at 31 March 2013 mainly due to funds utilised for the Group's operations.

Non-current assets remained at about S\$0.1 million as at 31 March 2012 and as at 31 March 2013.

Total equity as at 31 March 2012 decreased from S\$3.9 million to S\$3.0 million mainly due to increase in accumulated losses as a result of losses incurred in FY 2013.

#### **Consolidated Statement of Cash flows**

Net cash used in operating activities for FY 2013 was S\$4.3 million mainly due to losses incurred by the Group.

**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.**

#### **Media Solutions -**

Following the announcement made on 1 February 2013 in relation to the Group's investment in Artimedia Limited, a company incorporated in the British Virgin Islands, the Directors would like to inform shareholders that Artimedia Limited has been in discussions with advertisers and publishers for potential business opportunities in the People's Republic of China ("PRC") and further announcements will be made as and when there are any material developments.. The Group will continue to provide our video advertising solutions to overseas-based advertisers who are keen to advertise into the PRC. The Group will further look to market our services in Europe and USA in the future.

#### **Video Management Equipment and Solutions -**

We are still awaiting further updates from Beijing Daheng Innovation Technology Co Ltd to commence the initial project with the PRC's Ministry of Railways. The Company will provide the further updates to shareholders as and when there are material developments. The Group continues to explore with system providers for projects in the Middle East and Asia for our Video Management Solutions.

**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. 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.

**14. 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 two 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) 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.

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		Total	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
Segment revenue	227	142	9	178	236	320
Reportable segment loss before income tax	(1,200)	(2,444)	(2,768)	(1,577)	(3,968)	(4,021)
<b>Other material non-cash items:</b>						
Depreciation of plant and equipment	13	67	-	-	13	67
Amortisation of intangible assets	1	10	9	4	10	14
<b>Assets and liabilities:</b>						
Reportable segment assets	52	157	41	43	93	200
Reportable segment liabilities	181	270	80	209	261	479
<b>Other segment information:</b>						
Capital expenditure of plant and equipment	8	-*	-	-	8	-*
Capital expenditure of intangible assets	1	-	-	17	-*	17

\* Amount less than S\$1,000

**14. 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 statement, with comparative information for the immediately preceding year. (continued)**

(a) Reconciliations

(i) *Segment loss*

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

	<b>2013</b> <b>S\$'000</b>	<b>2012</b> <b>S\$'000</b>
<b>Revenues</b>		
Total revenue for reportable segments	236	320
Consolidated revenue	<u>236</u>	<u>320</u>
<b>Profit or loss</b>		
Total profit or loss for reportable segments	(3,968)	(4,021)
Unallocated amounts:		
- Net finance income/(expenses)	16	(3)
- Other corporate expenses	(244)	(296)
- Depreciation expenses	(61)	(125)
- Share options expenses	(497)	(301)
- Directors' fees	(60)	(54)
- Other miscellaneous expenses	(7)	(11)
Consolidated loss before income tax	<u>(4,821)</u>	<u>(4,811)</u>

(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 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, plant and equipments, other receivables such as interest receivables and other current assets such as prepayments and deposits.

Segment assets are reconciled to total assets as follows:

	<b>2013</b> <b>S\$'000</b>	<b>2012</b> <b>S\$'000</b>
Segment assets for reportable segments	93	200
Unallocated:		
Cash and cash equivalents	5,624	6,756
Other current assets - prepayments	94	86
Other current assets - deposits	246	176
Other receivables - interest receivables	3	3
Plant and equipment	70	84
Available-for-sale financial asset	-*	-*
	<u>6,130</u>	<u>7,305</u>

\* Amount less than S\$1,000

**14. 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 statement, with comparative information for the immediately preceding year.** (continued)

(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 directors' fees.

Segment liabilities are reconciled to total liabilities as follows:

	<b>2013</b> <b>S\$'000</b>	<b>2012</b> <b>S\$'000</b>
Segment liabilities for reportable segments	261	479
Unallocated:		
Accrued professional fees	72	78
Advance payments from share option holders	1	11
Directors' fees	60	54
Other payables - non-related parties	8	31
Other accrued operating expenses	11	-
Loans from shareholder	2,750	2,750
	<u>3,163</u>	<u>3,403</u>

(b) Geographical information

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

The main activities in Europe, Middle East and Africa ("EMEA") and other countries consists of media solutions.

The following table presents revenue information by geographical areas for the financial years ended 31 March 2013 and 2012.

	<b>Segment revenue</b>		<b>Non-current assets</b>	
	2013 S\$,000	2012 S\$'000	2013 S\$'000	2012 S\$'000
Asia	235	172	17	30
EMEA	1	135	75	90
Other countries	-*	13	-	-
	<u>236</u>	<u>320</u>	<u>92</u>	<u>120</u>

\* Amount less than S\$1,000

**15. 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.



**16. A breakdown of sales as follows:**

<b>Group</b>	<b>2013 S\$'000</b>	<b>2012 S\$'000</b>	<b>% Change + / -</b>
<b><u>First Half</u></b>			
Revenue reported for the first half-year	78	148	(47)
Loss reported for the first half-year	(2,496)	(2,445)	(2)
<b><u>Second Half</u></b>			
Revenue reported for the second half-year	158	172	(8)
Loss reported for the second half-year	(2,350)	(2,390)	(2)

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

Not applicable.

**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(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 issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

**BY ORDER OF THE BOARD**

Philip Soh  
Non-Executive Chairman  
22 May 2013