

## Financial Statements and Related Announcement::First Quarter Results

## Issuer &amp; Securities

<b>Issuer/ Manager</b>	CAPTII LIMITED
<b>Securities</b>	CAPTII LIMITED - SG1BA0000004 - AWW
<b>Stapled Security</b>	No

## Announcement Details

<b>Announcement Title</b>	Financial Statements and Related Announcement
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<b>Announcement Sub Title</b>	First Quarter Results
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<b>Submitted By (Co./ Ind. Name)</b>	Anton Syazi Ahmad Sebi
<b>Designation</b>	Chief Executive Officer
<b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b>	Please see attached.

## Additional Details

<b>For Financial Period Ended</b>	31/03/2017
<b>Attachments</b>	<a href="#">@CL SGX Financial Results Q1 2017.pdf</a> Total size =338K

**CAPTII LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company registration no.: 200211129W)

**First Quarter Financial Statements and Dividend Announcement  
for the Period Ended 31 March 2017**

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND 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.

Set out below are the financial statements for the first quarter ended 31 March 2017

**Consolidated Statement of Comprehensive Income**

	Group		
	Quarter ended 31 March		
	2017	2016	Inc/(dec)
	S\$'000	S\$'000	%
<b>Revenue</b>	<b>4,999</b>	<b>3,931</b>	<b>27.2</b>
Cost of Sales	(2,377)	(1,512)	57.2
<b>Gross profit</b>	<b>2,622</b>	<b>2,419</b>	<b>8.4</b>
Other Items of Income:			
Interest Income	33	74	(55.4)
Other Gains	-	2	(100.0)
Other Items of Expense:			
Technical Support Expenses	(780)	(786)	(0.7)
Distribution Costs	(446)	(440)	1.5
Administrative Expenses	(566)	(544)	4.0
Other Losses	(51)	(269)	(81.2)
Shared of Result from Jointly-Controlled Entity	-	(1)	(100.0)
<b>Profit Before Income Tax</b>	<b>812</b>	<b>455</b>	<b>78.5</b>
Income Tax Expenses	(198)	(95)	108.9
<b>Profit, Net of Tax</b>	<b>614</b>	<b>360</b>	<b>70.5</b>
<b>Profit, Net of Tax Attributable to:</b>			
Owners of the Company	410	232	76.6
Non-Controlling Interests	204	128	59.6
<b>Profit, Net of Tax</b>	<b>614</b>	<b>360</b>	<b>70.5</b>

**Consolidated Statement of Comprehensive Income**

	Group		
	Quarter ended 31 March		
	2017	2016	Inc/(dec)
	S\$'000	S\$'000	%
<b>Profit, Net of Tax</b>	<b>614</b>	<b>360</b>	<b>70.5</b>
Other Comprehensive Income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange Differences on Translating Foreign Operations, Net of Tax	(718)	1,463	(149.1)
<b>Total Comprehensive (Loss)/Income for the period</b>	<b>(104)</b>	<b>1,823</b>	<b>(105.7)</b>
<b>Total Comprehensive (Loss)/Income for the period Attributable to:</b>			
Owners of the Company	(252)	1,627	115.5
Non-Controlling interest	148	196	(24.4)
<b>Total Comprehensive (Loss)/Income for the period</b>	<b>(104)</b>	<b>1,823</b>	<b>(105.7)</b>

1(a)(ii) Notes to Statement of Comprehensive Income

	Group		
	Quarter ended 31 March		
	2017	2016	Inc/(dec)
	S\$'000	S\$'000	%
<b>Profit before income tax is stated after (charging)/crediting the following items:</b>			
(Loss)/Gain on Disposal of Plant and Equipment	(1)	1	(236.5)
Foreign Exchange Loss, net	(46)	(266)	(82.7)
Amortisation of Intangible Assets	(147)	(181)	(18.8)
Depreciation of Plant and Equipment	(122)	(136)	(10.3)
<b>Components of tax expense recognised in profit and loss include:</b>			
Current Tax Expenses	(168)	(59)	185.5
Overseas Withholding Tax Expenses	(30)	(36)	(16.7)

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

**Statements of Financial Position**

	Group	Group	Company	Company
	As at	As at	As at	As at
	31/3/2017	31/12/2016	31/3/2017	31/12/2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Plant and Equipment	1,440	1,288	-	-
Investment Property	2,526	2,588	-	-
Intangible Assets	11,224	11,582	-	-
Investments in Subsidiaries	-	-	32,734	32,734
Investment in an Associate	1,819	1,819	-	-
Other Financial Assets	5,988	5,370	-	-
Deferred Tax assets	432	436	-	-
<b>Total Non-Current Assets</b>	<b>23,429</b>	<b>23,083</b>	<b>32,734</b>	<b>32,734</b>
<b>Current assets</b>				
Inventories	13	26	-	-
Trade and Other Receivables	9,713	17,346	6,503	5,886
Other Assets	304	339	50	4
Cash and Cash Equivalents	10,637	9,055	936	768
<b>Total Current Assets</b>	<b>20,667</b>	<b>26,766</b>	<b>7,489</b>	<b>6,658</b>
<b>Total Assets</b>	<b>44,096</b>	<b>49,849</b>	<b>40,223</b>	<b>39,392</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	31,948	31,948	31,948	31,948
Retained Earnings	13,472	13,062	7,421	6,644
Foreign Currency Translation Reserve	(9,788)	(9,126)	-	-
<b>Equity, Attributable to Owners of the Parent</b>	<b>35,632</b>	<b>35,884</b>	<b>39,369</b>	<b>38,592</b>
Non-Controlling Interest	2,399	2,405	-	-
<b>Total Equity</b>	<b>38,031</b>	<b>38,289</b>	<b>39,369</b>	<b>38,592</b>
<b>Non-Current Liabilities</b>				
Deferred Tax Liabilities	500	500	-	-
<b>Total Non-Current Liabilities</b>	<b>500</b>	<b>500</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>				
Income Tax Payables	322	241	-	-
Trade and Other Payables	3,766	8,818	854	800
Other Liabilities	1,477	2,001	-	-
<b>Total Current Liabilities</b>	<b>5,565</b>	<b>11,060</b>	<b>854</b>	<b>800</b>
<b>Total Liabilities</b>	<b>6,065</b>	<b>11,560</b>	<b>854</b>	<b>800</b>
<b>Total Equity and Liabilities</b>	<b>44,096</b>	<b>49,849</b>	<b>40,223</b>	<b>39,392</b>

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

As at 31 March 2017, the Group did not have borrowings and debt securities.

**Details of any collateral**

The company has issued a financial guarantee to a bank for banking facilities granted to a subsidiary. The banking facilities are secured by fixed deposits of the subsidiary amounting to approximately \$280,000 and covered by a personal guarantee of a director of the subsidiary, and corporate guarantee of the company of \$480,000 (2016: \$491,000). As at the end of the financial period, the outstanding facilities covered by the guarantee were Nil (2016: Nil).

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 Flow**

	Group	
	3 months ended 31 March	
	2017	2016
	S\$'000	S\$'000
<b>Operating activities:</b>		
Profit Before Income Tax	812	455
Adjustments for:		
Amortisation of Intangible Assets	147	181
Depreciation of Plant and Equipment	122	136
Loss/(Gain) on Disposal of Plant and Equipment	1	(1)
Interest Income	(33)	(74)
Shared of Result from Jointly-Controlled Entity	-	1
<b>Operating Cash Flow before Changes in Working Capital</b>	<b>1,049</b>	<b>698</b>
Inventories	20	(16)
Trade and Other receivables	7,633	(549)
Other Assets	35	(108)
Trade and Other payables	(5,052)	(449)
Other Liabilities	(524)	947
<b>Net Cash Flows From Operations</b>	<b>3,161</b>	<b>523</b>
Income Tax Paid	(114)	(124)
<b>Net Cash Flows From Operating Activities</b>	<b>3,047</b>	<b>399</b>
<b>Cash Flows From Investing Activities:</b>		
Purchase of Plant and Equipment	(313)	(70)
Investment in an Associate	-	(214)
Other Financial Assets	(618)	(169)
Payment for Development Costs	(63)	(124)
Interest Income Received	33	74
<b>Net Cash Flows Used in Investing Activities</b>	<b>(961)</b>	<b>(503)</b>
<b>Cash Flows From Financing Activities:</b>		
Dividend Paid by a Subsidiary to Non-Controlling Interest	(154)	-
Cash Restricted in Use	(596)	(28)
<b>Net Cash Flows Used in Financing Activities</b>	<b>(750)</b>	<b>(28)</b>

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.  
(continued)

	Group	
	3 months ended 31 March	
	2017	2016
	S\$'000	S\$'000
Net Change in Cash and Cash Equivalents	1,336	(132)
Cash and Cash Equivalents at Beginning of the Financial Year (Note 1)	8,096	13,110
Effect of Exchange Rate Changes On Cash and Cash Equivalents	(327)	704
Cash and Cash Equivalents At End of the Financial Period (Note 1)	9,105	13,682

Explanatory Notes:

**Note 1**

	Group	
	3 months ended 31 March	
	2017	2016
	S\$'000	S\$'000
Cash and bank balances per statement of financial position	10,637	14,062
Less: Restricted Deposits	(1,532)	(380)
Cash and cash equivalents per consolidated statement of cash flows	9,105	13,682

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.

**Statements of Changes in Equity for the First Quarter ended 31 March 2017**

	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained earnings	Foreign Currency Translation Reserve	Non-Controlling Interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current Period:</b>						
<b>Group</b>						
Opening Balance at 1 January 2017	38,289	35,884	31,948	13,062	(9,126)	2,405
Total Comprehensive (Loss)/Income for the financial period	(104)	(252)	-	410	(662)	148
Dividend Paid	(154)	-	-	-	-	(154)
<b>Closing Balance at 31 March 2017</b>	<b>38,031</b>	<b>35,632</b>	<b>31,948</b>	<b>13,472</b>	<b>(9,788)</b>	<b>2,399</b>
<b>Company</b>						
Opening Balance at 1 January 2017	38,592	38,592	31,948	6,644	-	-
Total Comprehensive Income for the financial period	777	777	-	777	-	-
<b>Closing Balance at 31 March 2017</b>	<b>39,369</b>	<b>39,369</b>	<b>31,948</b>	<b>7,421</b>	<b>-</b>	<b>-</b>

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)

**Statements of Changes in Equity for the First Quarter ended 31 March 2016**

	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained earnings	Foreign Currency Translation Reserve	Non- Controlling Interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Previous Quarter:</b>						
<b>Group</b>						
Opening Balance at 1 January 2016	33,641	32,273	31,948	8,527	(8,202)	1,368
Total Comprehensive Income for the financial period	1,823	1,627	-	232	1,395	196
<b>Closing Balance at 31 March 2016</b>	<b>35,464</b>	<b>33,900</b>	<b>31,948</b>	<b>8,759</b>	<b>(6,807)</b>	<b>1,564</b>
<b>Company</b>						
Opening Balance at 1 January 2016	37,345	37,345	31,948	5,397	-	-
Total Comprehensive Loss for the financial period	(132)	(132)	-	(132)	-	-
<b>Closing Balance at 31 March 2016</b>	<b>37,213</b>	<b>37,213</b>	<b>31,948</b>	<b>5,265</b>	<b>-</b>	<b>-</b>

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 financial year 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.

None

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 preceding year.

	Company	
	As at 31/3/2017	As at 31/12/2016
Ordinary share	31,957,264	31,957,264

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

Not applicable.

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

These figures have neither been audited nor reviewed.

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 adopted the same accounting policies and methods of computation in the financial statements for the current period as those applied in their audited financial statements for the year ended 31 December 2016.

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.

	Group	
	3 months ended 31 March	
	2017	2016
	cents	cents
Based on the weighted average number of ordinary shares on issue <sup>(1)</sup>	1.28	0.73
On fully diluted basis (detailing any adjustments made to the earnings) <sup>(2)</sup>	n.a	n.a

n.a.: not applicable

<sup>(1)</sup> For comparative purposes, the earnings per ordinary share of the Group has been computed based on the profit, net of tax from the financial statements of the relevant financial period and the weighted average number of ordinary shares issued of 31,957,264 shares for financial year ended 31 December 2016 and 2015.

<sup>(2)</sup> Diluted earnings per share have not been calculated as no diluting events existed during these periods. No share options were granted to any employees during these periods.

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.

	As at 31/3/2017		As at 31/12/2016	
	Group cents	Company cents	Group cents	Company cents
Net asset value per ordinary share <sup>(1)</sup>	111.50	123.19	112.29	120.76

<sup>(1)</sup> For comparative purposes, the net asset value per ordinary share of the Group and the Company has been computed based on the net asset value of the Group and the Company attributable to owners of the Company at the relevant financial year and the existing issued share capital of 31,957,264 shares.



8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

**Review of results for the financial period ended 31 March 2017 as compared to corresponding financial period ended 31 March 2016**

*Revenue*

The Group achieved consolidated revenue of S\$4,999 million for the quarter ended 31 March 2017 ("Q1 2017"), an increase of 27.2% against the revenue recorded in the corresponding quarter ended 31 March 2016 ("Q1 2016"). The increase in Group revenue for Q1 2017 is attributable to the improved revenue performance by both GlobeOSS and Unifiedcomms.

GlobeOSS posted revenue of S\$2,041 million in Q1 2017, an increase of 95.5% from the S\$1,044 million recorded in Q1 2016. This increase was driven by higher revenue from system sale contracts.

Unifiedcomms closed the quarter with revenue of S\$2,958 million in Q1 2017, an increase of 4.4% from the S\$2,833 million recorded in Q1 2016. This increase was driven by higher revenue from managed service contracts.

The Group's Others segment currently received nil rental revenue in Q1 2017, following the expiry of tenancy agreement on the Group's investment property.

The Group's sales mix in Q1 2017 showed a decrease in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 61.2% of the Group's total revenue in Q1 2017 as compared to 74.5% in Q1 2016. The lower contribution of managed service contracts to the Group's sales mix in Q1 2017 is mainly attributable to the increase in system sale contract revenues of the Group, which had improved 93.6% from S\$1,003 million in Q1 2016 to S\$1,942 million in Q1 2017.

*Gross Profit and Gross Profit Margins*

The Group posted gross profit of S\$2,622 million in Q1 2017, an increase of 8.4% from the S\$2,419 million recorded in Q1 2016, gross profit margin was lower at 52.5% as compared to 61.5% in Q1 2016. This was primarily due to lower gross profit margin realised on Group's system sale contract revenues, which declined from 65.8% in Q1 2016 to 46.1% in Q1 2017. The decline in gross profit margin is mainly attributable to the higher proportionate contribution of system sale contract revenues by GlobeOSS, which generally delivers lower gross profit margin as a result of its typically higher third party costs.

Gross profit margin recorded by the Group on its managed service contract revenues also decreased to 56.5% in Q1 2017 from 60.1% in Q1 2016. This decrease in gross profit margin was primarily due to higher third-party costs on certain managed service contracts, coupled with the lower revenue contribution of certain mature, higher-margin managed service contracts.

*Interest Income*

The Group recorded interest income of S\$0.033 million in Q1 2017, 55.4% lower against the S\$0.074 million recorded in Q1 2016. This is mainly attributable to lower cash and cash equivalents as a result of on-going investment in other financial assets.

*Other Items of Expense*

The Group recorded total expenses of S\$1,843 million in Q1 2017, 9.7% lower than the S\$2,040 million incurred in Q1 2016. This was primarily due to lower foreign exchange loss as a result of favourable exchange rate movements of USD, PKR and MYR against the Group's reporting currency, SGD.

*Net Profit and EBITDA*

The Group achieved higher net profit of S\$0.614 million and EBITDA of S\$1,048 million in Q1 2017 as compared to the S\$0,360 million in net profit and S\$0,698 million in EBITDA recorded by the Group in Q1 2016. The higher net profit and EBITDA results achieved in Q1 2017 are mainly attributable to the flow-down effect of higher revenue and lower operating expenses recorded in Q1 2017.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)

**Review of results for the financial period ended 31 March 2017 as compared to corresponding financial period ended 31 March 2016 (continued)**

*Detailed Segmental Breakdown of Group Revenue and Gross Profit*

The detailed segmental breakdown of the Group's revenue and gross profit for Q1 2017, together with comparative results for Q1 2016 is provided below:

Table 8.1: Group revenue as analysed by business unit for the quarter ended 31 March

	2017 S\$'000	Sales mix %	2016 S\$'000	Sales mix %
Unifiedcomms	2,958	59.2	2,833	72.1
GlobeOSS	2,041	40.8	1,044	26.6
Others	-	-	54	1.3
<b>Total</b>	<b>4,999</b>	<b>100.0</b>	<b>3,931</b>	<b>100.0</b>

*Unifiedcomms - Segment for content-driven mobile VAS, messaging and signaling systems, solutions and managed services.*

*GlobeOSS - Segment for mobile network operation support systems, solutions and managed services.*

*Others - Segment for operational headquarters of the Group and investment holding.*

Table 8.2: Group revenue as analysed by geographical segment for the quarter ended 31 March

External Sales	2017			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
South East Asia (SEA)	2,675	2,037	-	4,712
South Asia (SA)	201	-	-	201
Middle East & Africa (MEA)	82	-	-	82
Others	-	4	-	4
<b>Total</b>	<b>2,958</b>	<b>2,041</b>	<b>-</b>	<b>4,999</b>

  

External Sales	2016			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
SEA	2,455	1,027	54	3,536
SA	216	-	-	216
MEA	162	-	-	162
Others	-	17	-	17
<b>Total</b>	<b>2,833</b>	<b>1,044</b>	<b>54</b>	<b>3,931</b>

Table 8.3: Group revenue as analysed by contract type for the quarter ended 31 March

External Sales	2017			2016		
	System Sale (1)	Managed Service (2)	Group	System Sale (1)	Managed Service (2)	Group
Revenue	1,942	3,057	4,999	1,003	2,928	3,931
Gross Profit	895	1,727	2,622	660	1,759	2,419
Gross Profit (%)	46.1%	56.5%	52.5%	65.8%	60.1%	61.5%

(1) System Sale – this refers to contracts that involve the outright purchase by customers of systems comprising the Group's products and technologies, and where these systems are in turn delivered as turnkey solutions. The scope of work for a system sale contract includes system design, implementation, testing and commissioning services.

(2) Managed Service – this refers to contracts that involve the provision of both systems comprising the Group's products and technologies as well as the Group's professional services, on a recurring, revenue sharing, software-as-a-service, pay-per-use or monthly or quarterly fixed and variable fee basis. Also treated as a managed service contract are system maintenance and technical support contracts with existing customers of the Group.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)**

**Review of the Group's financial position as at 31 March 2017 as compared to the Group's financial position as at 31 December 2016**

Non-cash current assets of the Group decreased from \$17.711 million as at 31 December 2016 to S\$10.030 million as at 31 March 2017. This 43.4% decrease in non-cash current assets was mainly due to the decrease in trade and other receivables of the Group, as a result of higher collection related to trade receivables from late 2016.

Total non-current assets of the Group increased from S\$23.083 million as at 31 December 2016 to S\$23.429 million as at 31 March 2017. This 1.5% increase in non-current assets is mainly attributable to:-

- \* An increase in investment in other financial assets, made by the Group's subsidiary, Captii Ventures Pte Ltd; and
- \* An increase in investment in plant and equipment.

The above impact was however partly mitigated by the effect of foreign exchange on investment property and goodwill arising on consolidation (classified under the intangible assets) as a result of weakening MYR against SGD.

Total liabilities of the Group decreased from S\$11.560 million as at 31 December 2016 to S\$6.065 million as at 31 March 2017. This 47.5% decrease in total liabilities is attributable to the decrease in trade and other payables, and other liabilities.

**Review of the Group's cash flow for the quarter ended 31 March 2017 as compared to the corresponding quarter ended 31 March 2016**

The Group's net cash flow from operations for Q1 2017 was S\$3.161 million, as compared to S\$0.523 million for Q1 2016, an increase of 504.4%. This significant increase was primarily due to a favourable working capital change of S\$2.112 million for Q1 2017, in contrast with the unfavourable working capital change of S\$0.175 million for Q1 2016, mainly contributed by higher collection from trade receivables in Q1 2017 as explained above. In addition, the improvement in profit before tax of S\$0.812 million for Q1 2017 from S\$0.455 million for Q1 2016.

The Group's net cash flow used in investing activities for Q1 2017 was S\$0.961 million, as compared to S\$0.503 million for Q1 2016. The higher net cash used in investing activities was mainly due to the higher investment cost on plant and equipments and investments on certain technology companies (classified as other financial assets and an associate).

The Group's net cash flow used in financing activities for Q1 2017 amounted to S\$0.750 million as compared to S\$0.028 million for Q1 2016. The higher net cash used in financing activities was mainly due to:-

- \* Restricted deposits placed as performance bond in connection with system sale contracts; and
- \* Dividend payout by a subsidiary to Non-Controlling Interest in Q1 2017.

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

No profit forecast has been issued for the financial period under review.

**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 directors and management of the Group expect the remainder of financial year 2017 to be challenging but remain optimistic about growth prospects.

Although 2016 proved to be another unexpectedly good year for business generated from system sale contracts, management does not expect this to be a trend that can be readily extended into 2017. Significant uncertainty and hence lumpiness is still to be expected in the contribution of system sale contracts to the performance of both Unifiedcomms and GlobeOSS businesses. The Group's need to continue strengthening its managed service contract portfolio for delivering steady and sustainable growth remains.

Management will continue to work on improving execution in respect of strategies and tactics to grow Group managed service contract revenues and profit.

The growing interest and opportunity in internet-driven application services, new media and applications delivered on an advertisement-supported or advertisement-funded model continues to be recognised by management of the Group. The Group's strategic and venture investment plans in the year ahead will continue to focus primarily on these growth businesses in the SEA and SA regions and will complement the growth initiatives of existing businesses.

**11. Dividend****(a) Current Financial Year Reported On**

Any dividend declared for the current financial period reported on? None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? None

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

Not applicable.

**13. Interested Person Transactions**

Name of the Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	3 months ended 31 March		3 months ended 31 March	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Nil	Nil	Nil	Nil	Nil

The Group does not require any shareholders' mandate pursuant to Rule 920 of the Listing Manual of SGX-ST.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

**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 statements, with comparative information for the immediately preceding year.**

Not applicable.

**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.**

Not applicable.

**16. A breakdown of sales.**

Not applicable.

**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(13).**

Not applicable.

**19. Negative Confirmation pursuant to rule 705(5).**

We, Wong Tze Leng and Anton Syazi Ahmad Sebi, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended 31 March 2017 to be false or misleading.

**20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in appendix 7.7) under rule 720(1).**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors

Wong Tze Leng  
Executive Chairman

Anton Syazi Ahmad Sebi  
Chief Executive Officer

**BY ORDER OF THE BOARD**

Anton Syazi Ahmad Sebi  
Chief Executive Officer  
9 May 2017