

 Print this page**Full Year Results * Financial Statement And Related Announcement**

* Asterisks denote mandatory information


Name of Announcer *	UNIFIED COMMUNICATIONS HLDGLTD
Company Registration No.	200211129W
Announcement submitted on behalf of	UNIFIED COMMUNICATIONS HLDGLTD
Announcement is submitted with respect to *	UNIFIED COMMUNICATIONS HLDGLTD
Announcement is submitted by *	ANTON SYAZI AHMAD SEBI
Designation *	CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR
Date & Time of Broadcast	26-Feb-2014 17:10:51
Announcement No.	00040

>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2013
Description	Please see attached.

Attachments

 UCHL_FullYearResults.pdf
 Total size = **462K**
 (2048K size limit recommended)

Close Window

Full Year Financial Statements and Dividend Announcement
for the Year Ended 31 December 2013

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 year ended 31 December 2013

Consolidated Statement of Comprehensive Income

	Group		
	12 months ended 31 December		
	2013	2012	Inc/(dec)
	S\$'000	S\$'000	%
Revenue	17,576	16,611	5.8
Cost of Sales	(7,680)	(7,044)	9.0
Gross profit	9,896	9,567	3.4
Other Items of Income:			
Interest Income	415	327	27.0
Other Credits	920	6,355	(85.5)
Other Items of Expense:			
Technical Support Expenses	(3,445)	(3,384)	1.8
Distribution Costs	(1,870)	(1,560)	19.9
Administrative Expenses	(3,151)	(3,245)	(2.9)
Other Charges	(1,063)	(1,136)	(6.4)
Finance Costs	(1)	(38)	(98.0)
Share of Results from Associate, Net of Tax	-	48	(100.0)
Profit Before Income Tax	1,701	6,934	(75.5)
Income Tax Expenses	(601)	(722)	(16.8)
Profit, Net of Tax	1,100	6,212	(82.3)
Profit, Net of Tax, Attributable to:			
Owners of the Company	1,021	5,954	(82.9)
Non-Controlling Interest	79	258	(69.3)
Profit, Net of Tax	1,100	6,212	(82.3)

Consolidated Statement of Comprehensive Income

	Group		
	12 months ended 31 December		
	2013	2012	Inc/(dec)
	S\$'000	S\$'000	%
Profit, Net of Tax	1,100	6,212	(82.3)
Other Comprehensive Income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange Differences on Translating Foreign Operations, Net of Tax	(1,001)	(742)	(34.9)
Total Comprehensive Income for the Year	99	5,470	(98.2)
Total Comprehensive Income for the Year Attributable to:			
Owners of the Company	7	5,189	(99.9)
Non-Controlling interest	92	281	(67.2)
Total Comprehensive Income for the Year	99	5,470	(98.2)

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

	Group		
	12 months ended 31 December		
	2013	2012	Inc/(dec)
	S\$'000	S\$'000	%
Profit before income tax is stated after (charging)/crediting the following items:			
Write-back of Impairment Loss on Receivables	-	87	(100.0)
Reversal of Payables	148	67	1.2
Fair Value Gain on Re-measurement of the Group's Equity Interest	-	5,176	100.0
Fair Value Gain on Contingent Consideration of Acquisition of a Subsidiary	742	977	(24.1)
(Loss)/Gain on Disposal of Plant and Equipment	(2)	33	100.0
Amortisation of Intangible Assets	(1,079)	(983)	9.7
Depreciation of Plant and Equipment	(888)	(971)	(8.6)
Write-down of Inventories	(74)	(7)	950.0
Impairment Loss on Receivables	(1)	(72)	(99.0)
Foreign Exchange Losses, net	(105)	(155)	(32.2)
Impairment Loss on Plant and Equipment	(820)	(472)	73.8
Impairment Loss on Intangible Assets	-	(141)	(100.0)
Impairment Loss on Investment in Joint Venture	(10)	(222)	(95.7)
Plant and Equipment Written-Off	(5)	(11)	(57.9)
Components of tax expense recognised in profit and loss include:			
Current Tax Expenses	(366)	(313)	17.0
Deferred Tax Income/(Expenses)	19	(33)	(156.1)
(Under)/Over adjustments in respect of prior years	(9)	2	(542.4)
Overseas Withholding Tax Expenses	(245)	(378)	(35.1)

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
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-Current Assets				
Plant and Equipment	1,334	2,888	-	-
Investment Property	3,438	3,540	-	-
Intangible Assets	15,753	16,357	-	-
Investments in Subsidiaries	-	-	32,734	32,734
Deferred Tax assets	19	13	-	-
Other Receivables	-	965	-	-
Total Non-Current Assets	20,544	23,763	32,734	32,734
Current assets				
Inventories	3	38	-	-
Trade and Other Receivables	7,909	7,769	4,529	5,104
Other Assets	536	248	3	10
Cash and Cash Equivalents	11,254	11,942	22	13
Total Current Assets	19,702	19,997	4,554	5,127
Total Assets	40,246	43,760	37,288	37,861
EQUITY AND LIABILITIES				
Equity Attributable to Owners of the Parent				
Share Capital	31,948	31,948	31,948	31,948
Retained Earnings	5,234	4,852	4,630	5,355
Foreign Currency Translation Reserve	(3,609)	(2,595)	-	-
Equity, Attributable to Owners of the Parent	33,573	34,205	36,578	37,303
Non-Controlling Interest	1,392	1,494	-	-
Total Equity	34,965	35,699	36,578	37,303
Non-Current Liabilities				
Other Payables	-	2,293	-	-
Deferred Tax Liabilities	16	29	-	-
Total Non-Current Liabilities	16	2,322	-	-
Current Liabilities				
Income Tax Payables	108	280	-	-
Trade and Other Payables	4,803	5,309	710	558
Other Liabilities	354	150	-	-
Total Current Liabilities	5,265	5,739	710	558
Total Liabilities	5,281	8,061	710	558
Total Equity and Liabilities	40,246	43,760	37,288	37,861

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

As at 31 December 2013, 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 its subsidiary. The banking facilities are secured by fixed deposits of the subsidiary amounting to approximately S\$364,000, a personal guarantee of a director of the subsidiary and corporate guarantee of the Company of RM1,530,000 (equivalent to S\$593,000 (2012: S\$611,000)). The Company has not recognised any liability in respect of the guarantee given to the bank for banking facilities granted to its subsidiary as the management has assessed that the likelihood of the subsidiary defaulting on repayment of its facility is remote.

As at the end of the financial year, there were no outstanding facilities covered by the guarantee (2012: Nil). The financial guarantee requires the guarantor to reimburse the bank if the subsidiary fails to make principal or interest repayments when due in accordance with the terms of the facility. There has been no default or non-repayment since the utilisation of the banking facilities.

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	
	12 months ended 31 December	
	2013	2012
	S\$'000	S\$'000
Operating activities:		
Profit Before Income Tax	1,701	6,934
Adjustments for:		
Amortisation of Intangible Assets	1,079	983
Depreciation of Plant and Equipment	888	971
Plant and Equipment Written-Off	5	11
Write-back of Impairment Loss on Receivables	-	(87)
Reversal of Payables	(148)	(67)
Write-down of Inventories	74	7
Impairment Loss on Plant and Equipment	820	472
Impairment Loss on Intangible Assets	-	141
Impairment Loss on Investment in Joint Venture	10	222
Impairment Loss on Receivables	1	72
Loss/(Gain) on disposals of plant and equipment	2	(33)
Interest Expense	1	38
Interest Income	(415)	(327)
Fair Value Gain on Re-measurement of the Group's Equity Interest	-	(5,176)
Fair Value Gain on Contingent Consideration of Acquisition of a Subsidiary	(742)	(977)
Share of Results from Associates, Net of Tax	-	(48)
Operating Cash Flow before Changes in Working Capital	3,276	3,136
Inventories	(22)	63
Trade and Other receivables	(114)	184
Other Assets	(288)	331
Trade and Other payables	335	(389)
Other Liabilities	205	3
Net Cash Flows From Operations	3,392	3,328
Income Tax Paid	(779)	(469)
Interest Expenses Paid	(1)	-
Net Cash Flows From Operating Activities	2,612	2,859
Cash Flows From Investing Activities:		
Purchase of Plant and Equipment	(279)	(529)
Investment in Joint Venture	(10)	(49)
Proceeds From Disposal of Plant and Equipment	2	48
Acquisition of a Subsidiary, net of cash acquired	-	(4,047)
Payment of Contingent Consideration	(1,306)	-
Payment for Development Costs	(852)	(905)
Cash Restricted in Use	1,325	(3,406)
Interest Income Received	415	327
Net Cash Flows Used in Investing Activities	(705)	(8,561)
Cash Flows From Financing Activities:		
Dividend Paid by a Subsidiary to Non-Controlling Interest	(194)	(60)
Dividend Paid to Equity Owners	(639)	(479)
Proceeds from Interest Bearing Borrowings	234	-
Repayment of Interest Bearing Borrowings	(234)	-
Net Cash Flows Used in Financing Activities	(833)	(539)

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	
	12 months ended 31 December	
	2013	2012
	S\$'000	S\$'000
Net Change in Cash and Cash Equivalents	1,074	(6,241)
Cash and Cash Equivalents at Beginning of the Financial Year (Note 1)	7,756	14,303
Effect of Exchange Rate Changes On Cash and Cash Equivalents	(377)	(306)
Cash and Cash Equivalents At End of the Financial Year (Note 1)	8,453	7,756

Explanatory Notes:

Note 1

	Group	
	12 months ended 31 December	
	2013	2012
	S\$'000	S\$'000
Cash and bank balances per statement of financial position	11,254	11,942
Less: Restricted Deposits	(2,801)	(4,186)
Cash and cash equivalents per consolidated statement of cash flows	8,453	7,756

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 year ended 31 December 2013

	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
Current Year:						
Group						
Opening Balance at 1 January 2013	35,699	34,205	31,948	4,852	(2,595)	1,494
Total Comprehensive Income/(Loss) for the financial year	99	7	-	1,021	(1,014)	92
Dividend Paid	(833)	(639)		(639)	-	(194)
Closing Balance at 31 December 2013	34,965	33,573	31,948	5,234	(3,609)	1,392
Company						
Opening Balance at 1 January 2013	37,303	37,303	31,948	5,355	-	-
Total Comprehensive Loss for the financial year	(86)	(86)	-	(86)	-	-
Dividend Paid	(639)	(639)		(639)	-	-
Closing Balance at 31 December 2013	36,578	36,578	31,948	4,630	-	-

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 year ended 31 December 2012

	Total Equity S\$'000	Attributable to Parent Sub-total S\$'000	Share Capital S\$'000	(Accumulated /Losses) Retained earnings S\$'000	Foreign Currency Translation Reserve S\$'000	Non- Controlling Interests S\$'000
Previous Year:						
Group						
Opening Balance at 1 January 2012	30,768	29,495	31,948	(623)	(1,830)	1,273
Total Comprehensive Income/(Loss) for the financial year	5,470	5,189	-	5,954	(765)	281
Dividend Paid	(539)	(479)	-	(479)	-	(60)
Closing Balance at 31 December 2012	35,699	34,205	31,948	4,852	(2,595)	1,494
Company						
Opening Balance at 1 January 2012	38,652	38,652	31,948	6,704	-	-
Total Comprehensive Loss for the financial year	(870)	(870)	-	(870)	-	-
Dividend Paid	(479)	(479)	-	(479)	-	-
Closing Balance at 31 December 2012	37,303	37,303	31,948	5,355	-	-

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 31/12/2013	As at 31/12/2012
Ordinary shares	319,572,675	319,572,675

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 2012.

The Group and the Company have also adopted all new and revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are effective for the period/year beginning on 1 January 2013. The adoption of these FRS and INT FRS does not have any significant effect on the financial performance or position of the Group and Company.

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current year's financial statements.

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	
	12 months ended 31 December	
	2013	2012
	cents	cents
Based on the weighted average number of ordinary shares on issue ⁽¹⁾	0.32	1.86
On fully diluted basis (detailing any adjustments made to the earnings) ⁽²⁾	n.a.	n.a.

n.a.: not applicable

⁽¹⁾ 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 319,572,675 shares for financial year ended 31 December 2013 and 2012.

⁽²⁾ 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 31/12/2013		As at 31/12/2012	
	Group cents	Company cents	Group cents	Company cents
Net asset value per ordinary share ⁽¹⁾	10.51	11.45	10.70	11.67

⁽¹⁾ 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 at the relevant financial period/year end and the existing issued share capital of 319,572,675 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 year ended 31 December 2013 as compared to corresponding financial year ended 31 December 2012

Revenue

The Group achieved consolidated revenue of S\$17.6 million for the financial year ended 31 December 2013 ("2013"), an increase of 5.8% against the revenue recorded in the corresponding financial year ended 31 December 2012 ("2012"). The increase in Group revenue for 2013 is attributable to the improved revenue performance of VAS and OSS BUs.

VAS BU closed the year with revenue of S\$6.7 million, an increase of 14.7% on the S\$5.9 million recorded in 2012. This increase was driven primarily by the higher system sale and managed service contract revenues generated by VAS BU in the SEA region.

OSS BU posted revenue of S\$4.2 million in 2013, an increase of 4.7% from the S\$4 million recorded in 2012. This increase in revenue was largely due to the higher managed service contract revenues realised by OSS BU in the SEA region.

TECH BU recorded a marginally lower revenue of S\$6.4 million in 2013, a decrease of 1.3% on the S\$6.5 million recorded in 2012. This decrease is mainly attributable to a reduction in system sale contract revenues in the MEA region.

OHQ BU continued to contribute to Group revenue with S\$0.2 million in rental income from the investment property acquired in early 2011.

The Group's sales mix in 2013 showed a slight increase in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 78.4% of the Group's total revenue in 2013 as compared to 76.7% in 2012. The marginally higher contribution of managed service contracts to the Group's sales mix is mainly attributable to the improvement in managed service contract revenues achieved by VAS and OSS BUs.

Gross Profit and Gross Profit Margins

The Group achieved gross profit of S\$9.9 million in 2013, corresponding to a gross profit margin of 56.3%. In comparison, the Group recorded 3.4% lower gross profit of S\$9.5 million in 2012 but at a higher gross profit margin of 57.6%. The higher gross profit recorded by the Group in 2013 is directly attributable to the improvement in Group revenue performance which was only partly offset by the decline in gross profit margin.

Although Group gross profit was higher in 2013, gross profit margin was lower at 56.3% versus 57.6% of 2012. This was primarily due to the lower gross profit margin realised on the Group's managed service contract revenues, which showed a decline from 58.9% in 2012 to 56.5% in 2013. The decline in gross profit margin recorded in 2013 is mainly attributable to the higher proportionate contribution of managed service contracts by OSS BU, which generally deliver lower gross profit margin as a result of its typically higher third-party component costs.

Interest Income

The Group achieved interest income of S\$0.4 million in 2013, 26.9% higher than the S\$0.3 million recorded in 2012, mainly attributable to the interest earned on deposits held in escrow in connection with contingent consideration payable for the acquisition of 60% equity interest in Ahead Mobile Sdn Bhd ("AMSB").

Other Credits

The Group recorded significantly lower other credits S\$0.9 million in 2013, a decrease of 85.5% on the S\$6.3 million recorded in 2012, mainly due to the following factors:-

- * Absence of the S\$5.2 million fair value gain recorded in 2012 in relation to the Group's pre-existing, pre-acquisition 40% equity interest in AMSB; and
- * Lower fair value gain of approximately S\$0.7 million in 2013 versus S\$1 million recorded in 2012 on contingent consideration relating to the acquisition of AMSB arising from the lower balance consideration paid in 2013 and to be paid in 2014.

Other Items of Expense

The Group recorded total expenses of S\$9.5 million in 2013, 1.8% higher than the S\$9.4 million incurred in 2012. This increase in total expenses is attributable mainly to a 7.5% rise in technical support expenses and distribution costs from S\$4.9 million in 2012 to S\$5.3 million in 2013 in connection with the expansion of the technical, sales and business development headcount of the Group.

Included in the total expenses are other charges totaling S\$0.9 million in 2013 comprising:-

- * Impairment loss on plant and equipment amounting to S\$0.8m in relation to the potential failure to recover managed service contract assets in the custody of a mobile telecoms network operator and service provider in India, as referred to the Group's SGX announcement dated 20 November 2013; and
- * Net foreign exchange loss of S\$0.1 million (2012: S\$0.15 million) as a result of the unfavourable exchange rate movement of the Pakistan Rupee against SGD.

Net Profit and EBITDA

The Group recorded lower net profit of S\$1.1 million and EBITDA of S\$3.3 million in 2013 as compared to the S\$6.2 million in net profit and S\$8.6 million in EBITDA achieved by the Group for 2012. The lower net profit and EBITDA results recorded in 2013 are attributable to the lower fair value gain recorded in 2013 in relation to the acquisition of AMSB as mentioned above.

Excluding the effect of the said fair value gain, the Group achieved a 500% and 6.8% increase in net profit and EBITDA for 2013 respectively, as compared to the adjusted net profit of S\$0.06 million and adjusted EBITDA of S\$2.4 million for 2012. The increase in both adjusted net profit and EBITDA is attributable to the higher revenue and interest income achieved by the Group in 2013 which had been only partly offset by the increase in operating expenses.

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 year ended 31 December 2013 as compared to corresponding financial year ended 31 December 2012 (continued)

Detailed Segmental Breakdown of Group Revenue and Gross Profit

The detailed segmental breakdown of the Group's revenue and gross profit for 2013, together with comparative results for 2012 is provided below:

Table 8.1: Group consolidated revenue as analysed by business unit for the financial year ended 31 December

	2013 S\$'000	Sales mix %	2012 S\$'000	Sales mix %
Mobile Technology (TECH BU)	6,374	38.3	6,460	38.9
Mobile Value-Added-Services (VAS BU)	6,735	38.3	5,870	35.3
Operation Support Systems (OSS BU)	4,218	24.0	4,027	24.2
Operational Headquarters (OHQ BU)	249	1.4	254	1.5
Total	17,576	100.0	16,611	100.0

Table 8.2: Group consolidated revenue as analysed by geographical segment for the financial year ended 31 December

External Sales	2013				
	TECH S\$'000	VAS S\$'000	OSS S\$'000	OHQ S\$'000	Group S\$'000
South East Asia (SEA)	6,360	4,387	4,186	249	15,182
South Asia (SA)	-	1,295	9	-	1,304
Middle East & Africa (MEA)	4	1,053	-	-	1,057
Others	10	-	23	-	33
Total	6,374	6,735	4,218	249	17,576

External Sales	2012				
	TECH S\$'000	VAS S\$'000	OSS S\$'000	OHQ S\$'000	Group S\$'000
SEA	6,351	3,590	3,972	254	14,167
SA	-	1,377	37	-	1,414
MEA	100	901	-	-	1,001
Others	9	2	18	-	29
Total	6,460	5,870	4,027	254	16,611

Table 8.3: Group consolidated revenue as analysed by contract type for the financial year ended 31 December

External Sales	2013			2012		
	System Sale ⁽¹⁾	Managed Service ⁽²⁾	Group	System Sale ⁽¹⁾	Managed Service ⁽²⁾	Group
Revenue	3,805	13,771	17,576	3,866	12,745	16,611
Gross Profit	2,120	7,776	9,896	2,059	7,508	9,567
Gross Profit (%)	55.7%	56.5%	56.3%	53.3%	58.9%	57.6%

(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 December 2013 as compared to the Group's financial position as at 31 December 2012

Non-cash current assets of the Group increased to S\$8.4 million as at 31 December 2013 from S\$8.1 million as at 31 December 2012. This 4.9% increase of S\$0.3 million was mainly due to an increase in receivables and other assets as a result of higher revenue achieved by the Group.

Total non-current assets of the Group decreased from S\$23.8 million as at 31 December 2012 to S\$20.5 million as at 31 December 2013. This was mainly due to:-

- * Impairment loss on plant and equipment in relation to the managed service contract assets in India as explained earlier;
- * Ongoing depreciation and amortisation charges on plant and equipment and intangible assets; and
- * Reversal of other receivables of S\$1 million relating to the fair value gain on contingent consideration for the acquisition of AMSB in prior year. In 2013, the amounts were reversed out and offset against the balance contingent purchase consideration reported in payables accounts, pending the release of final tranche of purchase consideration on or before 30 June 2014.

Total liabilities of the Group decreased from S\$8.1 million as at 31 December 2012 to S\$5.3 million as at 31 December 2013. This 34.5% decrease of S\$2.8 million was mainly due to the reduction in non-current other payables relating to balance consideration payable on the acquisition of AMSB.

Review of the Group's cash flow for the financial year ended 31 December 2013 as compared to the corresponding financial year ended 31 December 2012

The Group's net cash flows from operations for 2013 was S\$3.4 million, an increase of 1.9% as compared to the S\$3.3 million recorded for 2012. This increase was mainly contributed by the improvement in operating cash flow before changes in working capital, from S\$3.1 million for 2012 to S\$3.3 million for 2013. The 4.5% higher operating cash flow was primarily due to the absence of other credits and charges which have no impact to the Group's cash flow performance.

The Group's net cash flows used in investing activities for 2013 amounted to S\$0.7 million as compared to S\$8.6 million for 2012. The significantly higher net cash used in investing activities in 2012 was due to the payment of the first tranche of purchase consideration amounting to S\$4.0 million, and the placement of S\$3.6 million in deposits relating to contingent consideration with an escrow agent, all in connection with the acquisition of AMSB.

The Group's net cash flows used in financing activities for 2013 amounted to S\$0.8 million as compared to S\$0.5 million for 2012. This increase was mainly due to a higher dividend payout in the 2013 to both non-controlling interest and equity holders of the Company.

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 2014 financial year to continue to be challenging.

The relatively soft system sale market conditions for TECH and VAS BUs that are expected to persist in 2014, are however expected to be counterbalanced by progress in growing the managed services contract portfolio of the Group. The number of revenue sharing contracts under VAS BU is expected to increase substantially over the next two financial years, driven by utility-focused application services. The full impact of these new contracts on Group financial performance is expected to be realised by 2014 and 2015.

With the ramping up of internet usage - especially the mobile broadband variety - in the SEA and SA regions over the past two years expected to persist as mobile internet devices become more affordable, the directors and management of the Group anticipate that internet-delivered application services and mobile and digital advertising solutions will continue to offer strong growth potential. The Group's acquisition and strategic investment plan in the year ahead will focus primarily on these growth businesses in the SEA and SA regions.

11. Dividend

(a) Current Financial Year Reported On

An interim dividend has been declared on 7 August 2013 and paid out on 6 September 2013.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in cents)	0.2 Singapore Cents per ordinary share
Tax Rate	Tax-exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in cents)	0.15 Singapore Cents per ordinary share
Tax Rate	Tax-exempt (one-tier)

(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)	
	12 months ended 31 December		12 months ended 31 December	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
AESBI Power Systems Sdn Bhd *	274	277	Nil	Nil

* A wholly-owned subsidiary of Advance Synergy Capital Sdn. Bhd. (a wholly-owned subsidiary of Advance Synergy Berhad, the Group's ultimate holding corporation)

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.

Financial year ended 31 December 2013

	TECH S\$'000	VAS S\$'000	OSS S\$'000	OHQ S\$'000	Elimination S\$'000	Group S\$'000
Revenue:						
-external	6,374	6,735	4,218	249	-	17,576
-inter-segment	224	305	714	4,946	(6,189)	-
	6,598	7,040	4,932	5,195	(6,189)	17,576
Cost of Sales	(4,491)	(3,395)	(3,039)	(291)	3,536	(7,680)
Gross Profit	2,107	3,645	1,893	4,904	(2,653)	9,896
Other Items of Income:						
Interest Income	266	109	40	-	-	415
Other Credits	113	889	-	49	(131)	920
Other Item of Expenses:						
Technical Support Expenses	(908)	(578)	(712)	(1,456)	209	(3,445)
Distribution Costs	(158)	(1,158)	(465)	(240)	151	(1,870)
Administrative Expenses	(1,078)	(1,015)	(534)	(1,197)	673	(3,151)
Other Charges	(91)	(1,210)	(53)	(1,209)	1,500	(1,063)
Finance Costs	-	-	(1)	-	-	(1)
Share of Results from Associates, Net of Tax	-	-	-	-	-	-
Profit/(Loss) Before Income Tax	251	682	168	851	(251)	1,701
Income Tax Expenses	(211)	(163)	(9)	(218)	-	(601)
Profit/(Loss), Net of Tax	40	519	159	633	(251)	1,100
Profit/(Loss) for the Year Attributable to:						
Owners of the Company	40	518	80	632	(250)	1,021
Non-Controlling Interest	-	-	79	-	-	79
Profit/(Loss) for the year	40	518	159	632	(250)	1,100
Other information						
Impairment Loss on Plant and Equipment	-	(1,051)	-	-	231	(820)
Depreciation of Plant and Equipment	(73)	(721)	(61)	(52)	18	(888)
Amortisation of Intangible Assets	(743)	(346)	(75)	-	85	(1,079)
Fair Value Gain on Contingent Consideration of Acquisition of a Subsidiary	-	742	-	-	-	742
Segment Assets	22,153	26,724	4,464	49,688	(62,802)	40,227
Unallocated Assets	5	-	-	-	14	19
Consolidated Total Assets						40,246
Segment Liabilities	8,670	16,814	1,634	9,130	(30,983)	5,265
Unallocated Liabilities	-	-	-	16	-	16
Consolidated Total Liabilities						5,281
Other Segment Items						
Capital Expenditure						
- Plant and Equipment	14	285	23	9	(51)	279
- Development Costs	597	336	-	-	(81)	852

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. (continued)

Financial year ended 31 December 2012

	TECH S\$'000	VAS S\$'000	OSS S\$'000	OHQ S\$'000	Elimination S\$'000	Group S\$'000
Revenue:						
-external	6,460	5,870	4,027	254	-	16,611
-inter-segment	61	215	727	3,873	(4,876)	-
	6,521	6,085	4,754	4,127	(4,876)	16,611
Cost of Sales	(4,620)	(2,825)	(2,684)	(258)	3,343	(7,044)
Gross Profit	1,901	3,260	2,070	3,869	(1,533)	9,567
Other Items of Income:						
Interest Income	212	74	41	-	-	327
Other Credits	127	6,341	(1)	44	(156)	6,355
Other Item of Expenses:						
Technical Support Expenses	(656)	(697)	(713)	(1,470)	152	(3,384)
Distribution Costs	(159)	(1,020)	(283)	(241)	143	(1,560)
Administrative Expenses	(1,174)	(1,011)	(533)	(1,192)	665	(3,245)
Other Charges	(25)	(1,054)	(24)	(1,070)	1,037	(1,136)
Finance Costs	-	(38)	-	-	-	(38)
Share of Results from Associates, Net of Tax	-	48	-	-	-	48
Profit/(Loss) Before Income Tax	226	5,903	557	(60)	308	6,934
Income Tax Expenses	(176)	(186)	(31)	(329)	-	(722)
Profit/(Loss), Net of Tax	50	5,717	526	(389)	308	6,212
Profit/(Loss) for the Year Attributable to:						
Owners of the Company	50	5,717	268	(389)	308	5,954
Non-Controlling Interest	-	-	258	-	-	258
Profit/(Loss) for the year	50	5,717	526	(389)	308	6,212
Other information						
Impairment Loss on Intangible Assets	-	(141)	-	-	-	(141)
Impairment Loss on Plant and Equipment	-	(472)	-	-	-	(472)
Depreciation of Plant and Equipment	(91)	(774)	(63)	(47)	4	(971)
Amortisation of Intangible Assets	(624)	(346)	(93)	-	80	(983)
Fair Value Gain on Re-measurement of the Group's Equity Interest	-	5,176	-	-	-	5,176
Fair Value Gain on Contingent Consideration of Acquisition of a Subsidiary	-	977	-	-	-	977
Segment Assets	12,699	36,708	4,563	49,614	(59,837)	43,747
Unallocated Assets	(1)	-	-	-	14	13
Consolidated Total Assets						43,760
Segment Liabilities	7,069	14,765	1,618	11,405	(26,825)	8,032
Unallocated Liabilities	-	-	-	29	-	29
Consolidated Total Liabilities						8,061
Other Segment Items						
Capital Expenditure						
- Plant and Equipment	106	400	52	20	(49)	529
- Development Costs	683	231	1	-	(10)	905

	Group					
	Revenue		Total assets		Capital expenditure	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
South East Asia (SEA)	15,182	14,167	38,052	39,811	1,100	1,273
South Asia (SA)	1,304	1,414	1,951	3,461	31	161
Middle East & Africa (MEA)	1,057	1,001	202	451	-	-
Others	33	29	22	24	-	-
	17,576	16,611	40,227	43,747	1,131	1,434
Unallocated assets			19	13		
			40,246	43,760		

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.

A significant amount of variance in VAS BU earnings in 2013 versus that achieved in 2012 is attributable to the one-off fair value gain of S\$5.2 million recorded in 2012, in relation to the Group's pre-existing, pre-acquisition in 40% equity interest in AMSB.

16. A breakdown of sales.

	Group		
	12 months ended 31 December		
	2013 S\$'000	2012 S\$'000	Inc/(dec) %
(a) Sales reported for first half year	8,947	8,334	7.4
(b) Profit, net of tax, before deducting non-controlling interest reported for first half year	1,074	6,192	(82.7)
(c) Sales reported for second half year	8,629	8,277	4.3
(d) Profit, net of tax, before deducting non-controlling interest reported for second half year	26	20	31.1

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

	Total annual dividend	
	2013 S\$'000	2012 S\$'000
Interim dividend to ordinary share	639	479

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).

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company hereby confirms that as at the date of this announcement, to the best of its knowledge, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries, is a relative of a Director or Chief Executive Office or Substantial Shareholder of the Company.

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
26 February 2014