

## 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>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>	31/03/2016
<b>Attachments</b>	<p><a href="#">@Financial Results Q1 2016.pdf</a></p> <p>Total size =61K</p>

**First Quarter Financial Statements and Dividend Announcement  
for the Period Ended 31 March 2016**

**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 2016

**Consolidated Statement of Comprehensive Income**

	Group		
	Quarter ended 31 March		
	2016	2015	Inc/(dec)
	S\$'000	S\$'000	%
<b>Revenue</b>	<b>3,931</b>	<b>4,984</b>	<b>(21.1)</b>
Cost of Sales	(1,512)	(2,287)	(33.9)
<b>Gross profit</b>	<b>2,419</b>	<b>2,697</b>	<b>(10.3)</b>
Other Items of Income:			
Interest Income	74	66	11.4
Other Gains	2	89	(97.7)
Other Items of Expense:			
Technical Support Expenses	(786)	(865)	(9.1)
Distribution Costs	(440)	(500)	(12.0)
Administrative Expenses	(544)	(617)	(11.8)
Other Losses	(269)	(6)	4,382.6
Shared of Result from Jointly-Controlled Entity	(1)	(1)	(45.4)
<b>Profit Before Income Tax</b>	<b>455</b>	<b>863</b>	<b>(47.3)</b>
Income Tax Expenses	(95)	(120)	(20.8)
<b>Profit, Net of Tax</b>	<b>360</b>	<b>743</b>	<b>(51.5)</b>
<b>Profit, Net of Tax Attributable to:</b>			
Owners of the Company	232	652	(64.5)
Non-Controlling Interests	128	91	41.0
<b>Profit, Net of Tax</b>	<b>360</b>	<b>743</b>	<b>(51.5)</b>

**Consolidated Statement of Comprehensive Income**

	Group		
	Quarter ended 31 March		
	2016	2015	Inc/(dec)
	S\$'000	S\$'000	%
<b>Profit, Net of Tax</b>	<b>360</b>	<b>743</b>	<b>(51.5)</b>
Other Comprehensive Income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange Differences on Translating Foreign Operations, Net of Tax	1,463	(631)	(331.9)
<b>Total Comprehensive Income for the period</b>	<b>1,823</b>	<b>112</b>	<b>1,527.7</b>
<b>Total Comprehensive Income for the period Attributable to:</b>			
Owners of the Company	1,627	44	3,597.1
Non-Controlling interest	196	68	188.7
<b>Total Comprehensive Income for the period</b>	<b>1,823</b>	<b>112</b>	<b>1,527.7</b>

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

	Group		
	Quarter ended 31 March		
	2016	2015	Inc/(dec)
	S\$'000	S\$'000	%
<b>Profit before income tax is stated after (charging)/crediting the following items:</b>			
Gain on Disposal of Plant and Equipment	-	(1)	(100.0)
Foreign Exchange (Loss)/Gain, net	(266)	80	(432.9)
Amortisation of Intangible Assets	(181)	(258)	(29.7)
Depreciation of Plant and Equipment	(136)	(144)	(5.3)
<b>Components of tax expense recognised in profit and loss include:</b>			
Current Tax Expenses	(57)	(63)	(9.2)
Over adjustments in respect of prior years	-	18	(100.0)
Overseas Withholding Tax Expenses	(36)	(75)	(52.3)

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
	31/3/2016	31/12/2015	31/3/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Plant and Equipment	1,362	1,403	-	-
Investment Property	3,084	2,940	-	-
Intangible Assets	12,688	12,140	-	-
Investments in Subsidiaries	-	-	32,734	32,734
Investment in Jointly-Controlled Entity	2	3	-	-
Investment in an Associate	421	-	-	-
Other Financial Assets	1,479	1,517	-	-
<b>Total Non-Current Assets</b>	<b>19,036</b>	<b>18,003</b>	<b>32,734</b>	<b>32,734</b>
<b>Current assets</b>				
Inventories	50	48	-	-
Income Tax Recoverable	75	74	-	-
Trade and Other Receivables	6,858	6,310	3,330	4,321
Other Assets	426	318	50	4
Cash and Cash Equivalents	14,062	13,450	1,610	786
<b>Total Current Assets</b>	<b>21,471</b>	<b>20,200</b>	<b>4,990</b>	<b>5,111</b>
<b>Total Assets</b>	<b>40,507</b>	<b>38,203</b>	<b>37,724</b>	<b>37,845</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	31,948	31,948	31,948	31,948
Retained Earnings	8,759	8,527	5,265	5,397
Foreign Currency Translation Reserve	(6,807)	(8,202)	-	-
<b>Equity, Attributable to Owners of the Parent</b>	<b>33,900</b>	<b>32,273</b>	<b>37,213</b>	<b>37,345</b>
Non-Controlling Interest	1,564	1,368	-	-
<b>Total Equity</b>	<b>35,464</b>	<b>33,641</b>	<b>37,213</b>	<b>37,345</b>
<b>Non-Current Liabilities</b>				
Deferred Tax Liabilities	32	30	-	-
<b>Total Non-Current Liabilities</b>	<b>32</b>	<b>30</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>				
Income Tax Payables	88	106	-	-
Trade and Other Payables	3,454	3,905	511	500
Other Liabilities	1,469	521	-	-
<b>Total Current Liabilities</b>	<b>5,011</b>	<b>4,532</b>	<b>511</b>	<b>500</b>
<b>Total Liabilities</b>	<b>5,043</b>	<b>4,562</b>	<b>511</b>	<b>500</b>
<b>Total Equity and Liabilities</b>	<b>40,507</b>	<b>38,203</b>	<b>37,724</b>	<b>37,845</b>

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

As at 31 March 2016, 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 \$302,000 and covered by a personal guarantee of a director of the subsidiary and corporate guarantee of the company of \$532,000 (2015: \$507,000). As at the end of the financial period, the outstanding facilities covered by the guarantee were Nil (2015: 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**

	<b>Group</b>	
	<b>3 months ended 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities:</b>		
Profit Before Income Tax	455	863
Adjustments for:		
Amortisation of Intangible Assets	181	258
Depreciation of Plant and Equipment	136	144
(Gain)/ Loss on Disposal of Plant and Equipment	(1)	1
Interest Income	(74)	(66)
Shared of Result from Jointly-Controlled Entity	1	1
<b>Operating Cash Flow before Changes in Working Capital</b>	<b>698</b>	<b>1,201</b>
Inventories	(16)	7
Trade and Other receivables	(549)	208
Other Assets	(108)	22
Trade and Other payables	(449)	(276)
Other Liabilities	947	(243)
<b>Net Cash Flows From Operations</b>	<b>523</b>	<b>919</b>
Income Tax Paid	(124)	(114)
<b>Net Cash Flows From Operating Activities</b>	<b>399</b>	<b>805</b>
<b>Cash Flows From Investing Activities:</b>		
Purchase of Plant and Equipment	(70)	(178)
Investment in an Associate	(214)	-
Other Financial Assets	(169)	-
Payment for Development Costs	(124)	(92)
Interest Income Received	74	66
<b>Net Cash Flows Used in Investing Activities</b>	<b>(503)</b>	<b>(204)</b>
<b>Cash Flows From Financing Activities:</b>		
Cash Restricted in Use	(28)	(2)
<b>Net Cash Flows Used in Financing Activities</b>	<b>(28)</b>	<b>(2)</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	
	2016	2015
	S\$'000	S\$'000
Net Change in Cash and Cash Equivalents	(132)	599
Cash and Cash Equivalents at Beginning of the Financial Year (Note 1)	13,110	11,480
Effect of Exchange Rate Changes On Cash and Cash Equivalents	704	(271)
Cash and Cash Equivalents At End of the Financial Period (Note 1)	13,682	11,808

Explanatory Notes:

**Note 1**

	Group	
	3 months ended 31 March	
	2016	2015
	S\$'000	S\$'000
Cash and bank balances per statement of financial position	14,062	12,204
Less: Restricted Deposits	(380)	(396)
Cash and cash equivalents per consolidated statement of cash flows	13,682	11,808

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 2016**

	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained earnings	Foreign Currency Translation Reserve	Non- Controlling Interests
<b>Current Period:</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
Closing Balance at 31 March 2016	35,464	33,900	31,948	8,759	(6,807)	1,564
<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)	-	-
Closing Balance at 31 March 2016	37,213	37,213	31,948	5,265	-	-

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 2015**

	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 2015	35,926	34,556	31,948	6,754	(4,146)	1,370
Total Comprehensive Income/(Loss) for the financial period	112	44	-	652	(608)	68
<b>Closing Balance at 31 March 2015</b>	<b>36,038</b>	<b>34,600</b>	<b>31,948</b>	<b>7,406</b>	<b>(4,754)</b>	<b>1,438</b>
<b>Company</b>						
Opening Balance at 1 January 2015	36,282	36,282	31,948	4,334	-	-
Total Comprehensive Loss for the financial period	(91)	(91)	-	(91)	-	-
<b>Closing Balance at 31 March 2015</b>	<b>36,191</b>	<b>36,191</b>	<b>31,948</b>	<b>4,243</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 31/3/2016	As at 31/12/2015
Ordinary share <sup>(1)</sup>	31,957,264	31,957,264

<sup>(1)</sup> The Company had on 14 May 2015 completed the share consolidation of every then (10) ordinary share into one (1) consolidated share. Accordingly, the issued share capital of the Company now comprises 31,957,264 consolidated shares.

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 2015.

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	
	2016	2015
	cents	cents
Based on the weighted average number of ordinary shares on issue <sup>(1)</sup>	0.73	2.04
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 period ended 31 March 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 31/3/2016		As at 31/12/2015	
	Group cents	Company cents	Group cents	Company cents
Net asset value per ordinary share <sup>(1)</sup>	106.08	116.45	100.99	116.86

<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 period/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 2016 as compared to corresponding financial period ended 31 March 2015

##### *Revenue*

The Group recorded consolidated revenue of S\$3.931 million for the quarter ended 31 March 2016 ("Q1 2016"), a decrease of 21.1% against the revenue recorded in the corresponding quarter ended 31 March 2015 ("Q1 2015"). The decline in Group revenue for 2015 is attributable to lower revenue recorded by both Unifiedcomms and GlobeOSS.

Unifiedcomms recorded revenue of S\$2.833 million, a decrease of 15.9% from the S\$3.368 million recorded in Q1 2015. This decline in revenue was mainly due to lower managed service contract revenues.

GlobeOSS recorded revenue of S\$1.044 million in Q1 2016, a decrease of 32.9% from the S\$1.557 million recorded in Q1 2015. This decline in revenue was due to lower system sale contract revenues.

The Group's Others segment meanwhile contributed S\$0.054 million in income from investments.

The Group's sales mix in Q1 2016 showed an increase in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 74.5% of the Group's total revenue in Q1 2016 as compared to 67.0% in Q1 2015. The higher contribution of managed service contracts to the Group's sales mix in Q1 2016 is mainly attributable to the decrease in system sale contract revenues of the Group, which had declined to 38.9% from S\$1.644 million in Q1 2015 to S\$1.003 million in Q1 2016.

##### *Gross Profit and Gross Profit Margins*

With the lower revenue in Q1 2016, the Group recorded gross profit of S\$2.419, a decrease of 10.3% from the S\$2.697 million achieved in Q1 2015. This impact was partly mitigated by the higher gross profit margin of 61.5% in Q1 2016 against 54.1% in Q1 2015. This improvement is mainly attributable to the system sale contract revenues of GlobeOSS, which delivered higher gross profit margin as a result of lower third-party component costs in Q1 2016.

The gross profit margin recorded by the Group on its managed service contracts also increased to 60.1% in Q1 2016 from 58.7% in Q1 2015. This increase in gross profit margin is mainly attributable to the lower amortisation of intellectual property in Q1 2016, as a result of certain intellectual properties having reached the end of their estimated useful lives in late 2015.

##### *Interest Income*

The Group recorded interest income of S\$0.074 million in Q1 2016, an increase of 11.4% on the S\$0.066 recorded in Q1 2015.

##### *Other gains*

The Group recorded other gains of S\$0.002 million in Q1 2016, 97.7% lower than the S\$0.089 million recorded in Q1 2015. This is mainly attributable to the absence of a foreign exchange gain of S\$0.08 million that arose last year arising to the favourable exchange rate movement of SGD vs USD, on Group's USD denominated assets.

##### *Other Items of Expense*

The Group recorded total expenses of S\$2.040 million in Q1 2016, 2.6% higher than the S\$1.989 million incurred in Q1 2015. This is mainly attributable to a foreign exchange loss of S\$0.266 million which was primarily caused by the unfavourable exchange rate movements of MYR and USD against the Group's reporting currency, SGD.

The impact of this foreign exchange loss was however partly mitigated by:-

- \* Lower technical support expenses recorded in Q1 2016, attributable to a reduction of technical support headcount of the Group; and
- \* Lower distribution and administrative expenses recorded in Q1 2016, as a result of a favourable foreign exchange translation on MYR denominated expenses.

##### *Net Profit and EBITDA*

The Group recorded lower net profit of S\$0.360 million and EBITDA of S\$0.698 million in Q1 2016 as compared to the S\$0.743 million in net profit and S\$1.199 million in EBITDA recorded by the Group in Q1 2015. The lower net profit and EBITDA results recorded in Q1 2016 are mainly attributable to the flow-down effects of lower revenue and higher operating expenses recorded in Q1 2016.

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 2016 as compared to corresponding financial period ended 31 March 2015 (continued)**

*Detailed Segmental Breakdown of Group Revenue and Gross Profit*

The detailed segmental breakdown of the Group's revenue and gross profit for Q1 2016, together with comparative results for Q1 2015 is provided below:

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

	2016 S\$'000	Sales mix %	2015 S\$'000	Sales mix %
Unifiedcomms	2,833	72.0	3,368	67.6
GlobeOSS	1,044	26.6	1,557	31.2
Others	54	1.4	59	1.2
<b>Total</b>	<b>3,931</b>	<b>100.0</b>	<b>4,984</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	2016			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
South East Asia (SEA)	2,455	1,027	54	3,536
South Asia (SA)	216	-	-	216
Middle East & Africa (MEA)	162	-	-	162
Others	-	17	-	17
<b>Total</b>	<b>2,833</b>	<b>1,044</b>	<b>54</b>	<b>3,931</b>

External Sales	2015			
	Unifiedcomms S\$'000	GlobeOSS S\$'000	Others S\$'000	Group S\$'000
SEA	2,850	1,551	59	4,460
SA	218	-	-	218
MEA	294	-	-	294
Others	6	6	-	12
<b>Total</b>	<b>3,368</b>	<b>1,557</b>	<b>59</b>	<b>4,984</b>

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

External Sales	2016			2015		
	System Sale (1)	Managed Service (2)	Group	System Sale (1)	Managed Service (2)	Group
Revenue	1,003	2,928	3,931	1,644	3,340	4,984
Gross Profit	660	1,759	2,419	736	1,961	2,697
Gross Profit (%)	65.8%	60.1%	61.5%	44.8%	58.7%	54.1%

(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 2016 as compared to the Group's financial position as at 31 December 2015**

Non-cash current assets of the Group increased from \$6.750 million as at 31 December 2015 to S\$7.409 million as at 31 March 2016. This 9.7% increase in non-cash current assets was mainly due to the increase in trade and other receivables.

Total non-current assets of the Group increased from S\$18.003 million as at 31 December 2015 to S\$19.036 million as at 31 March 2016. This 5.7% increase in non-current assets is mainly attributable to:-

- \* An increase in investments in other financial assets and an associate, made by the Group's subsidiary, Captii Ventures Pte Ltd; and
- \* The effect of foreign exchange movements on the Group's MYR denominated investment property and intangible assets.

Total liabilities of the Group increased from S\$4.562 million as at 31 December 2015 to S\$5.043 million as at 31 March 2016. This 10.5% increase in total liabilities is attributable to the increase in other liabilities.

**Review of the Group's cash flow for the quarter ended 31 March 2016 as compared to the corresponding quarter ended 31 March 2015**

The Group's net cash flow from operations for Q1 2016 was S\$0.523 million, as compared to S\$0.919 million for Q1 2015, a decrease of 43.2%. This decrease was primarily due to the lower profit before tax of S\$0.455 million for Q1 2016, as compared to S\$0.863 million for Q1 2015.

The Group's net cash flow used in investing activities for Q1 2016 was S\$0.503 million, as compared to S\$0.204 million for Q1 2015. The higher net cash used in investing activities is mainly attributable to the investments of S\$0.169 million on certain technology companies (classified as other financial assets) and an associate of S\$0.214 million.

The Group's net cash flow used in financing activities for Q1 2016 amounted to S\$0.028 million as compared to S\$0.002 million for Q1 2015. The higher net cash used in financing activities was mainly due to restricted deposit placed as a performance bond related to system sale contract.

**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 2016 to remain challenging.

Although 2015 proved to be a fair year for business generated from system sale contracts, management does not expect this to be a trend that can readily be extended into 2016. 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 the managed service contract portfolio for delivering steady and sustainable growth remains.

The Group's managed service contract portfolio therefore remains the focus for growth in 2016. Management will continue to work on improving execution in respect of strategies and tactics to grow Group 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 investment plan in the year ahead will continue to focus primarily on these growth businesses in the SEA and SA regions and will complement the growth plans of the 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	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
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 2016 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  
12 May 2016