

21 September 2015

NetDimensions (Holdings) Limited
("NetDimensions" or the "Company" or the "Group")

Half Yearly Report

NetDimensions (AIM: NETD; OTCQX: NETDY), a global provider of performance, knowledge, and learning management systems, is pleased to announce its half year results for the period ending 30 June 2015.

Financial Highlights

- 16% revenue growth to US\$10.6m (2014 H1: US\$9.1m)
- 31% increase in recurring revenue from our global hosted secure Software as a Service ("SaaS") service to US\$5.1m (2014 H1: US\$3.9m)
- First year average contract size increased 125% to US\$209k

Operations Highlights

- Number of active users were 3.9m at the end of the period (2014 H1: 3.7m), excluding 1m not for profit users
- Invoiced sales to clients in high-consequence industries represented 92% (2014 H1: 83%) of total invoiced sales for the period
- 18 new clients added in the period through direct and reseller channels with a combined contracted value of US\$3.1m. These new clients operate in a number of high consequence industries including healthcare, financial services, transportation, energy, and manufacturing

Graham Higgins, Chairman of NetDimensions, commented: "The Company made good progress during the period in terms of total revenue growth generally and recurring SaaS revenue in particular while the Company continues to execute on its strategy of focusing on high consequence industries.

The Company continues to build on the progress made in the first half of the year and, being second half weighted, we expect a stronger performance over the remainder of the current financial year."

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About NetDimensions

Established in 1999, NetDimensions (AIM: NETD; OTCQX: NETDY) is a global provider of performance, knowledge and learning management solutions.

NetDimensions provides companies, government agencies and other organizations with talent management solutions to personalize learning, share knowledge, enhance performance, foster collaboration and manage compliance programs for employees, customers, partners and suppliers.

Recognized as one of the talent management industry's top-rated technology suppliers, NetDimensions has been chosen by leading organizations worldwide including ING, Cathay Pacific, Chicago Police Department, Geely Automotive, Fugro Group and Fresenius Medical Care.

NetDimensions is ISO 9001 certified and NetDimensions hosted services are ISO 27001 certified.

For more information, visit www.NetDimensions.com or follow @netdimensions on Twitter.

Chairman's Statement for the six months ended 30 June 2015

The Company has made good progress in the six months to 30 June 2015 and I am pleased to report that revenue for the period was US\$10.6m, an increase of 16% (2014 H1: US\$9.1m).

Financial Summary

The financial results for the period ending 30 June 2015 saw good progress, with both revenue and invoiced sales higher than the prior period. Total revenue increased by 16% to US\$10.6m (2014 H1: US\$9.1m) and invoiced sales by 8% to US\$9.8m (2014 H1: US\$9.1m), which was in line with management's expectations.

Our increased focus on direct sales in high consequence industries has led us into bigger deals with the average first year deal size for new direct clients increasing to US\$209K in the period (2014 H1: US\$93K). Invoiced sales to clients in high consequence industries represented 92% of total invoiced sales (2014 H1: 83%), which is in line with our strategy of becoming a leading provider of Talent Management Systems and related compliance solutions to high consequence industries.

The Group generated good growth in the North America market with revenues up 19% to US\$5.0M (2014 H1: US\$4.2M) on the back of a number of new client wins in high consequence industries, in particular the Healthcare sector.

The North America region was therefore the largest market for the Group during the period, comprising 48% of Group revenues. Europe, Middle East & Africa ("EMEA") accounted for 39% of Group revenues and Asia Pacific including China 8%. The rest of the world made up 5%.

The Group continues to focus on supplying software via its global hosted secure SaaS service and we are pleased to report that revenues from this product offering increased by 31% to US\$5.1m (2014 H1: US\$3.9m).

The Group's adjusted loss before tax, excluding net foreign exchange losses (US\$0.2m), intangible asset amortisation (US\$0.3m) and non-cash share-based payments (US\$0.1m), was US\$1.9m (2014 H1: loss of US\$2.0m). NetDimensions' loss before tax was US\$2.5m (2014 H1: loss of US\$2.4m).

Cash used in operating activities was US\$1.3m in the period (2014 H1: US\$0.9m) resulting in a cash balance at the end of the period of US\$3.5m (2014 H1: US\$7.1m) and an accounts receivable balance of US\$3.5m (2014 H1: US\$4.3m).

Operations Review

I am pleased to report that we have made the following progress in the period against our stated business plan:

- Number of active users were 3.9m at the end of the period (2014 H1: 3.7m), excluding 1m not for profit users
- Invoiced sales to clients in high-consequence industries represented 92% (2014 H1: 83%) of total invoiced sales for the period
- 18 new clients added in the period through direct and reseller channels with a combined contracted value of US\$3.1M. These new clients operate in a number of high consequence industries including healthcare, financial services, transportation, energy, and manufacturing

Summary and outlook

The Company made good progress during the period in terms of total revenue growth generally and recurring SaaS revenue in particular while the Company continues to execute on its strategy of focusing on high consequence industries.

The Company continues to build on the progress made in the first half of the year and, being second half weighted, we expect a stronger performance over the remainder of the current financial year."

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Note	Unaudited	
		Six months ended 30 June	
		2015	2014
		US\$	US\$
Revenue	5	10,592,318	9,142,028
Cost of sales	6	(2,021,335)	(1,487,451)
Gross profit		8,570,983	7,654,577
Other (losses)/gains, net		(201,663)	75,392

Selling expenses	6	(6,244,011)	(5,899,414)
Operating expenses	6	(4,613,752)	(4,296,428)
Operating loss		(2,488,443)	(2,465,873)
Finance income		498	26,825
Finance cost		(834)	(670)
Finance (costs)/income, net	7	(336)	26,155
Loss before income tax		(2,488,779)	(2,439,718)
Income tax expense		(3,540)	-
Loss for the period		(2,492,319)	(2,439,718)
Attributable to:			
Equity holders of the Company		(2,492,319)	(2,439,718)
Loss per share attributable to the equity holders of the Company during the period (expressed in US\$ cents per share)			
- Basic	8	(6.4)	(6.4)
- Diluted	8	(6.4)	(6.4)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	Unaudited	
	Six months ended 30 June	
	2015	2014
	US\$	US\$
Loss for the period	(2,492,319)	(2,439,718)
Other comprehensive income/(loss):		
Currency translation differences	48,137	(34,018)
Other comprehensive income/(loss) for the period	48,137	(34,018)
Total comprehensive loss for the period	(2,444,182)	(2,473,736)
Total comprehensive loss attributable to Equity holders of the Company	(2,444,182)	(2,473,736)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Note	Unaudited	Unaudited	Audited
		30 June 2015	30 June 2014	31 December 2014
		US\$	US\$	US\$
ASSETS				
Non-current assets				
Property, plant and equipment	9	302,581	261,763	270,171
Intangible assets	10	2,820,022	3,307,130	3,058,596

Deposits		29,498	153,291	29,758
		<u>3,152,101</u>	<u>3,722,184</u>	<u>3,358,525</u>
Current assets				
Accounts and other receivables, prepayments and deposits		4,118,584	4,956,043	8,196,741
Tax recoverable		1,460	-	-
Cash and bank balances	11	3,536,248	7,074,445	4,907,118
		<u>7,656,292</u>	<u>12,030,488</u>	<u>13,103,859</u>
Total assets		<u>10,808,393</u>	<u>15,752,672</u>	<u>16,462,384</u>
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	12	39,089	38,640	38,763
Reserves		18,623,045	18,085,859	18,772,059
Accumulated losses		(17,493,183)	(12,305,114)	(15,006,278)
Total equity		<u>1,168,951</u>	<u>5,819,385</u>	<u>3,804,544</u>
LIABILITIES				
Non-current liabilities				
Obligations under finance leases		1,172	2,907	2,913
Deferred revenue		209,260	119,593	179,333
		<u>210,432</u>	<u>122,500</u>	<u>182,246</u>
Current liabilities				
Accounts and other payables		1,483,216	1,944,938	3,961,572
Deferred revenue		7,487,637	7,473,239	8,422,518
Dividend payable		373,518	388,499	-
Obligations under finance leases		2,357	4,111	2,357
Income tax payable		82,282	-	89,147
		<u>9,429,010</u>	<u>9,810,787</u>	<u>12,475,594</u>
Total liabilities		<u>9,639,442</u>	<u>9,933,287</u>	<u>12,657,840</u>
Total equity and liabilities		<u>10,808,393</u>	<u>15,752,672</u>	<u>16,462,384</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	Attributable to equity holders of the Company						
	Share capital US\$	Share premium US\$	Capital redemption reserve US\$	Translation reserve US\$	Share-based payment compensation reserve US\$	Accumulated losses US\$	Total US\$
At 1 January 2014	37,917	17,577,150	850	31,278	443,041	(9,865,396)	8,224,840
Loss for the period	-	-	-	-	-	(2,439,718)	(2,439,718)
Other comprehensive loss for the period:							
Currency translation differences	-	-	-	(34,018)	-	-	(34,018)
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,018)</u>	<u>-</u>	<u>(2,439,718)</u>	<u>(2,473,736)</u>
Employee share option benefits	-	-	-	-	170,804	-	170,804
Issue of shares to non-executive directors	50	48,579	-	-	-	-	48,629
Issue of shares upon exercise of share options	673	374,090	-	-	(137,416)	-	237,347
Final dividend 2013	-	(388,499)	-	-	-	-	(388,499)

At 30 June 2014 (unaudited)	<u>38,640</u>	<u>17,611,320</u>	<u>850</u>	<u>(2,740)</u>	<u>476,429</u>	<u>(12,305,114)</u>	<u>5,819,385</u>
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	Attributable to equity holders of the Company						
	Share capital US\$	Share premium US\$	Capital redemption reserve US\$	Translation reserve US\$	Share-based payment compensation reserve US\$	Accumulated losses US\$	Total US\$
At 1 January 2015	38,763	17,702,373	850	216,288	852,548	(15,006,278)	3,804,544
Loss for the period	-	-	-	-	-	(2,492,319)	(2,492,319)
Other comprehensive income for the period:							
Currency translation differences	-	-	-	48,137	-	-	48,137
Total comprehensive income/(loss) for the period	-	-	-	48,137	-	(2,492,319)	(2,444,182)
Employee share option benefits	-	-	-	-	21,124	-	21,124
Issue of shares to non-executive directors	52	65,596	-	-	-	-	65,648
Issue of shares upon exercise of share options	274	151,285	-	-	(56,224)	-	95,335
Transfer to accumulated losses upon forfeiture of share options	-	-	-	-	(5,414)	5,414	-
Final dividend 2014	-	(373,518)	-	-	-	-	(373,518)
At 30 June 2015 (unaudited)	<u>39,089</u>	<u>17,545,736</u>	<u>850</u>	<u>264,425</u>	<u>812,034</u>	<u>(17,493,183)</u>	<u>1,168,951</u>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	Note	Unaudited Six months ended 30 June	
		2015 US\$	2014 US\$
Cash flows from operating activities			
Cash used in operations	14(a)	(1,244,684)	(801,456)
Interest paid		(834)	(670)
Income tax paid		(13,984)	(52,325)
Net cash used in operating activities		<u>(1,259,502)</u>	<u>(854,451)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(142,041)	(31,922)
Purchase of intangible assets		(12,121)	(32,322)
Interest received		498	26,825
Sales proceeds from disposal of property, plant and equipment	14(b)	-	206
Decrease in bank deposits with original maturity of over three months		40,047	3,535,936
Net cash (used in)/generated from investing activities		<u>(113,617)</u>	<u>3,498,723</u>

Cash flows from financing activities			
Proceeds from issuance of shares under share option scheme		95,335	237,347
Repayments of capital element of finance leases		(1,741)	(1,745)
Net cash generated from financing activities		<u>93,594</u>	<u>235,602</u>
Net (decrease)/increase in cash and cash equivalents		(1,279,525)	2,879,874
Cash and cash equivalents at beginning of the period		4,867,071	4,120,179
Effect of foreign exchange rate changes		(51,298)	2,719
Cash and cash equivalents at end of the period	11	<u><u>3,536,248</u></u>	<u><u>7,002,772</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

NetDimensions (Holdings) Limited (the "Company") was incorporated in the Cayman Islands as a limited liability company under the Companies Law (2000) Revision on 10 July 2000. The address of its registered office is P.O. Box 309, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies. The address of its head office and principal place of business in Hong Kong is 17/F., Siu On Centre, 188 Lockhart Road, Wan Chai, Hong Kong.

The principal activities of the Company and its subsidiaries (together the "Group") are licensing of computer software and the provision of related services.

The Company's ordinary shares were admitted to trading on the Alternative Investment Market ("AIM") operated by the London Stock Exchange. On 7 August 2012, the Company's ordinary shares were also admitted to trading on the OTCQX platform operated by OTC Markets Group, Inc.

This condensed consolidated interim financial information is presented in United States Dollars ("US\$"), unless otherwise stated.

This condensed consolidated interim financial information for the six months ended 30 June 2014 and 2015 have not been audited.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basic of preparation

The Company has a financial year end date of 31 December. This condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Boards ("IASB").

(b) Significant accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(i) Effect of adopting new and amendments to standards and interpretations

During the year, the Group has adopted all of the new standards, amendments to standards and interpretations issued by IASB that are relevant to the Group's operations and mandatory for annual periods beginning on or after 1 January 2015. The adoption of these new standards, amendments to standards and interpretations did not result in a significant impact on the results and financial position of the Group.

(ii) New standards, amendments to standards and interpretations that have been issued but are not yet effective:

Effective for the
accounting period
beginning on or
after

IFRS 11 (Amendment)	Joint Arrangements' on Acquisition of an Interest in a Joint Operation	1 January 2016
IAS 16 and IAS 41 (Amendment)	Agriculture: Bearer Plants	1 January 2016
IAS 16 and IAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
IFRS 14	Regulatory Deferral accounts	1 January 2016
IAS 27 Amendment	Equity Method in Separate Financial Statements	1 January 2016
IFRS 10 and IAS 28 Amendment	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Annual Improvements Project 2014	Annual Improvements 2012-2014 Cycle	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IFRS 9	Financial Instruments	1 January 2018

The Group will adopt the above new standards, amendments to standards and interpretations to existing standards as and when they become effective. The Group has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

3 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were that same as those that applied to the consolidated financial statements for the year ended 31 December 2014, with the exception of changes in estimate that are required in determining the provision for income tax.

4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014.

There have been no changes in the risk management department since year end or in any risk management policies since year end.

5 REVENUE AND SEGMENT INFORMATION

Revenue represents income from software licensing and the provision of hosting, support and maintenance, software customisation and implementation services during the period and is analysed as follows:

	Unaudited Six months ended 30 June	
	2015 US\$	2014 US\$
Software licensing	1,211,213	1,108,743
Hosting services	5,126,514	3,937,487
Support and maintenance	890,118	1,399,059
Software customisation and implementation	3,364,473	2,696,739
	<u>10,592,318</u>	<u>9,142,028</u>

The chief operating decision-maker ("CODM") has been identified as the executive directors of the Company. Management has determined the operating segments based on the reports reviewed by the CODM that are used to assess performance and allocate resources. The CODM considers the business from the geographic perspective, including North America, Europe, Middle East and Africa ("EMEA"), Asia Pacific and Rest of the World, which are also the Group's reportable operating segments.

The Group's revenue is mainly derived from customers located in North America, EMEA, Asia Pacific and Rest of the

World, while the Group's facilities and other assets are located predominantly in North America, EMEA, Asia Pacific and Rest of the World.

Segment performance is evaluated based on segment results, which is a measure of adjusted loss before income tax. The adjusted loss before income tax is measured consistently with the Group's loss before income tax, except that amortisation of intangible assets - customer base, unallocated corporate expenses, finance income and finance costs are not allocated to individual segment.

Segment assets consist primarily of property, plant and equipment, intangible assets, accounts and other receivables, prepayments and deposits. Cash and bank balances for corporate use are excluded from segment assets.

Segmental information for the six months ended 30 June 2015 is as follows:

	North America US\$	EMEA US\$	Asia Pacific US\$	Rest of the World US\$	Total US\$
Revenue from external customers	5,027,990	4,150,050	865,212	549,066	10,592,318
Segment results	(1,033,426)	(1,265,246)	126,369	260,780	(1,911,523)
Amortisation of intangible assets - customer base	(235,996)	-	-	-	(235,996)
Unallocated corporate expenses					(340,924)
Finance income					498
Finance costs					(834)
Loss before income tax					(2,488,779)
Income tax expense					(3,540)
Loss for the period					(2,492,319)
Segment assets	5,080,464	2,873,820	1,365,021	40,002	9,359,307
Unallocated assets					1,449,086
					10,808,393
Additions to non-current assets	99,431	1,666	53,065	-	154,162
Depreciation and amortisation	280,279	8,029	68,507	-	356,815

Segmental information for the six months ended 30 June 2014 is as follows:

	North America US\$	EMEA US\$	Asia Pacific US\$	Rest of the World US\$	Total US\$
Revenue from external customers	4,235,703	3,538,465	1,063,394	304,466	9,142,028
Segment results	(1,032,994)	(783,683)	(90,193)	135,061	(1,771,809)
Amortisation of intangible assets - customer base	(236,152)	-	-	-	(236,152)
Unallocated corporate expenses					(457,912)
Finance income					26,825
Finance costs					(670)
Loss before income tax					(2,439,718)
Income tax expense					-
Loss for the period					(2,439,718)

Segment assets	6,484,938	2,638,032	1,563,779	300,155	10,986,904
Unallocated assets					4,765,768
					<u>15,752,672</u>
Additions to non-current assets	<u>13,903</u>	<u>6,062</u>	<u>44,279</u>	-	<u>64,244</u>
Depreciation and amortisation	<u>256,069</u>	<u>8,863</u>	<u>67,946</u>	-	<u>332,878</u>

6 OPERATING LOSS

Operating loss is stated after charging the following:

	Unaudited Six months ended 30 June	
	2015	2014
	US\$	US\$
Auditor's remuneration	76,775	71,870
Amortisation of intangible assets	250,499	247,234
Depreciation on property, plant and equipment	106,316	85,644
Employee benefit expenses	8,134,250	7,927,624
Legal and professional expenses	514,812	283,425
Marketing and promotion expenses	680,330	593,718
Operating lease rentals in respect of leased premises	355,937	296,183
Other operating lease rentals	514,167	395,356
Outsourcing fee	1,047,170	816,174
Resell software rights	41,162	11,993
Travel and entertainment expenses	409,653	574,548
Other expenses	748,027	379,524
Total cost of sales and selling and operating expenses	<u>12,879,098</u>	<u>11,683,293</u>
Representing:		
Cost of sales	2,021,335	1,487,451
Selling expenses	6,244,011	5,899,414
Operating expenses	4,613,752	4,296,428
	<u>12,879,098</u>	<u>11,683,293</u>

7 FINANCE (COSTS)/INCOME, NET

	Unaudited Six months ended 30 June	
	2015	2014
	US\$	US\$
Finance income:		
- Interest income on bank deposits	498	26,825
Finance costs:		
- Interest element of finance lease	(834)	(670)
	<u>(336)</u>	<u>26,155</u>

8 LOSS PER SHARE

Basic

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

Unaudited

	Six months ended 30 June	
	2015	2014
Loss attributable to equity holders of the Company (US\$)	<u>(2,492,319)</u>	<u>(2,439,718)</u>
Weighted average number of ordinary shares in issue	<u>38,917,530</u>	<u>38,353,566</u>
Basic loss per share (US\$ cents per share)	<u>(6.4)</u>	<u>(6.4)</u>

Diluted

Diluted loss per share is the same as basic loss per share since the exercise of the outstanding share options would have an anti-dilutive effect for the six months ended 30 June 2014 and 2015.

9 PROPERTY, PLANT AND EQUIPMENT

	As at 30 June	
	2015	2014
	US\$	US\$
Net book value at 1 January	270,171	316,342
Additions	142,041	31,922
Disposals	(2,193)	(843)
Depreciation for the period	(106,316)	(85,644)
Exchange differences	(1,122)	(14)
Net book value at 30 June (unaudited)	<u>302,581</u>	<u>261,763</u>

10 INTANGIBLE ASSETS

	Goodwill	Customer	Computer	Total
	US\$	base	software	US\$
	US\$	US\$	US\$	US\$
Net book value at 1 January 2015	1,147,553	1,878,918	32,125	3,058,596
Additions	-	-	12,121	12,121
Disposals	-	-	(202)	(202)
Amortisation for the period	-	(235,996)	(14,503)	(250,499)
Exchange differences	-	7	(1)	6
Net book value at 30 June 2015 (unaudited)	<u>1,147,553</u>	<u>1,642,929</u>	<u>29,540</u>	<u>2,820,022</u>
Net book value at 1 January 2014	1,147,553	2,351,557	23,243	3,522,353
Additions	-	-	32,322	32,322
Disposals	-	-	(309)	(309)
Amortisation for the period	-	(236,152)	(11,082)	(247,234)
Exchange differences	-	250	(252)	(2)
Net book value at 30 June 2014 (unaudited)	<u>1,147,553</u>	<u>2,115,655</u>	<u>43,922</u>	<u>3,307,130</u>

11 CASH AND BANK BALANCES

	Unaudited	
	As at 30 June	
	2015	2014
	US\$	US\$
Cash on hand	5,476	3,783
Cash at bank	3,490,718	6,998,989

Bank deposit with original maturity of three months or less	40,054	-
Cash and cash equivalents	3,536,248	7,002,772
Bank deposits with original maturity of over three months	-	71,673
Total cash and bank balances	3,536,248	7,074,445

12 SHARE CAPITAL

	Unaudited As at 30 June			
	2015 No. of shares	US\$	2014 No. of shares	US\$
Authorised:				
Ordinary shares at US\$0.001 each	100,000,000	100,000	100,000,000	100,000
Issued and fully paid:				
Ordinary shares	39,088,826	39,089	38,640,326	38,640
Movements in ordinary shares				
At 1 January	38,762,826	38,763	37,917,326	37,917
Issue of shares to non-executive directors (note 13b)	52,500	52	50,000	50
Issue of shares upon exercise of share options (note a)	273,500	274	673,000	673
At 30 June	39,088,826	39,089	38,640,326	38,640

Note:

- (a) During the period ended 30 June 2015, an aggregate of 273,500 share options (30 June 2014: 673,000) were exercised with proceeds of US\$ 95,335 (30 June 2014: US\$237,347). The weighted average market value per share at the date of exercise for these share options exercised was GBP80.4 pence (30 June 2014: GBP 72.3 pence).

13 EQUITY SETTLED SHARE-BASED PAYMENTS

(a) Share option scheme

Pursuant to the share option scheme (the "Plan") approved and adopted on 18 September 2000, the Board of Directors of the Company may offer eligible employees, directors and sales agents rights to subscribe for shares of the Company. The Plan shall be valid and effective for a period of ten years. Pursuant to an ordinary resolution passed at the annual general meeting of the Company on 10 June 2011, the Plan expired on 17 September 2010 is renewed for a further period of ten years, and is to expire on 16 September 2020 (the "Renewed Plan"). The maximum aggregate number of ordinary shares of US\$0.001 each which may be issued pursuant to the Renewed Plan is 10,000,000 ordinary shares according to an ordinary resolution passed at the annual general meeting of the Company on 9 June 2014. Options are granted at a price equal to the average market price of the Company's shares on the date of grant. The vesting period is ranged from one year to five years from the date of grant. If the options remain unexercised ten years after the date of grant, the options will expire. Options are forfeited if the relevant option holder leaves the Group before the options vest.

The following table discloses the movements of the Company's share options:

	2015		2014	
	Number of share options	Weighted average exercise price US\$	Number of share options	Weighted average exercise price US\$
As at 1 January	4,276,000	0.876	3,013,000	0.458
Granted	550,000	1.126	2,217,500	1.218
Forfeited	(1,467,000)	0.990	(220,500)	0.553
Exercised	(273,500)	0.365	(673,000)	0.339

As at 30 June	<u>3,085,500</u>	0.840	<u>4,337,000</u>	0.860
Exercisable as at 30 June (unaudited)	<u>1,066,250</u>	0.558	<u>627,500</u>	0.322

Share options outstanding during the periods ended 30 June 2015 and 30 June 2014 are as follows:

Expiry date	Exercise price per share	30 June 2015 Number of shares under option	30 June 2014 Number of shares under option
19/04/2015	US\$0.165	-	50,000
24/05/2016	US\$0.300	20,000	40,000
28/12/2016	US\$0.300	49,000	70,000
12/02/2020	GBP0.18	80,000	80,000
06/12/2020	GBP0.215	250,000	250,000
24/01/2021	GBP0.1925	50,000	50,000
02/01/2022	GBP0.215	300,000	637,500
01/01/2023	GBP0.51	250,000	250,000
05/03/2023	GBP0.44	100,000	175,000
30/04/2023	GBP0.42	-	250,000
05/05/2023	GBP0.425	250,000	250,000
01/09/2023	GBP0.555	50,000	50,000
19/01/2024	GBP0.78	-	100,000
14/04/2024	GBP0.73	1,334,000	1,627,000
08/06/2024	GBP0.71	7,500	457,500
01/09/2024	GBP0.655	10,000	-
10/11/2024	GBP0.725	25,000	-
13/11/2024	GBP0.715	10,000	-
22/04/2025	GBP0.815	300,000	-
		<u>3,085,500</u>	<u>4,337,000</u>

During the period ended 30 June 2015, the Company granted 550,000 share options to employees with exercise prices at GBP 80 pence per share and GBP 81.5 pence per share respectively. The fair value of the share options granted was approximately GBP 206,000.

The fair values of share options granted during the period ended 30 June 2015 were calculated using the Binomial Option Pricing Model. The inputs into the model were as follows:

Batch	i	ii
Date of grant	20 Jan 2015	23 Apr 2015
Closing price at date of grant (GBP)	0.800	0.815
Exercise price (GBP)	0.800	0.815
Expected volatility	53.91%	53.34%
Expected multiple	3	3
Risk-free interest rate	1.52%	1.68%
Expected annual dividend yield	0.77%	0.76%
Fair value per share option (GBP)	0.375	0.373

Expected volatility is based on the Company's annualised historical stock price volatility as at the date of grant. The expected life is the expected lives of the options which have been taken into account of early exercise behaviour of the option holders.

(b) Pursuant to the terms and conditions of the letter of appointment with the non-executive directors of the Company, an aggregate of 52,500 (30 June 2014: 50,000) ordinary shares of the Company were allotted to them as part of their remuneration package during the period ended 30 June 2015. The fair values of these shares amounting to US\$ 65,648 and US\$48,629 respectively have been recognised in the condensed consolidated income statement.

(c) The Company recognised total expenses of US\$86,772 and US\$222,128 relating to equity settled share-based payments in the periods ended 30 June 2015 and 30 June 2014 respectively.

14 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of loss before income tax to net cash used in operations:

Unaudited
Six months ended 30 June
2015 2014

	US\$	US\$
Loss before income tax	(2,488,779)	(2,439,718)
Adjustments for:		
Amortisation of intangible assets	250,499	247,234
Depreciation of property, plant and equipment	106,316	85,644
Equity settled share-based payments	86,772	222,128
Exchange loss/(gain)	154,625	(36,731)
Finance income	(498)	(26,825)
Finance costs	834	670
Loss on disposal of property, plant and equipment	2,193	637
Loss on disposal of intangible assets	202	309
	<u> </u>	<u> </u>
Changes in working capital	(1,887,836)	(1,946,652)
- Accounts and other receivables, prepayments and deposits	3,946,838	2,335,377
- Accounts and other payables	(2,452,223)	(1,155,688)
- Deferred revenue	(851,463)	(34,493)
	<u> </u>	<u> </u>
Net cash used in operations	<u>(1,244,684)</u>	<u>(801,456)</u>

- (b) In the condensed consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	Unaudited	
	Six months ended 30 June	
	2015	2014
	US\$	US\$
Net book amount (Note 9)	2,193	843
Loss on disposal of property, plant and equipment	(2,193)	(637)
	<u> </u>	<u> </u>
Proceeds from disposal of property, plant and equipment	-	206
	<u> </u>	<u> </u>

- (c) In the condensed consolidated statement of cash flows, proceeds from disposal of intangible assets comprise:

	Unaudited	
	Six months ended 30 June	
	2015	2014
	US\$	US\$
Net book amount (Note 10)	202	309
Loss on disposal of intangible assets	(202)	(309)
	<u> </u>	<u> </u>
Proceeds from intangible assets	-	-
	<u> </u>	<u> </u>