ADDVALUE TECHNOLOGIES LTD
Company Registration No. 199603037H

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD FINANCIAL QUARTER AND THE NINE-MONTH FINANCIAL YEAR ENDED 31 DECEMBER 2013 ("3Q2014" AND "9M2014" RESPECTIVELY) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 MARCH 2014 ("FY2014")

1.(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediate preceding financial year

	The Group					
	3Q2014 US$'000	3Q2013 US$'000	% Change	**9M2014 US$'000**	9M2013 US$'000	% Change
Revenue	**3,604**	2,230	61.6	**10,394**	6,351	63.7
Cost of sales	**(1,857)**	(1,162)	59.8	**(5,561)**	(3,304)	68.3
Gross profit	**1,747**	1,068	63.6	**4,833**	3,047	58.6
Other operating income	**-**	-	-	**78**	161	(51.6)
Selling & Distribution expenses	**(293)**	(259)	13.1	**(825)**	(680)	21.3
Administrative expenses	**(396)**	(351)	12.8	**(1,326)**	(1,069)	24.0
Other operating expenses	**(675)**	(489)	38.0	**(1,973)**	(1,586)	24.4
Profit/(loss) from operations	**383**	(31)	N/m	**787**	(127)	N/m
Finance expenses	**(304)**	(82)	270.7	**(432)**	(225)	92.0
Finance income	**-**	-	-	**227**	-	N/m
Profit/(loss) before tax	**79**	(113)	N/m	**582**	(352)	N/m
Taxation	**(8)**	-	N/m	**(67)**	-	N/m
Net profit/(loss) for the period	**71**	(113)	N/m	**515**	(352)	N/m
Other comprehensive income	**-**	-	-	**-**	-	-
Total comprehensive income for the period	**71**	(113)	N/m	**515**	(352)	N/m
Attributable to:						
Equity holders of the Company	**71**	(113)	N/m	**515**	(352)	N/m
Total comprehensive income for the period	**71**	(113)	N/m	**515**	(352)	N/m

"3Q2013" denotes the second financial quarter ended 31 December 2012 in respect of the financial year ended 31 March 2013 ("FY2013").
"9M2013" denotes the nine-month financial period ended 31 December 2012 in respect of FY2013.
"% Change" denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure.
"N/m" denotes not meaningful

1.(a)(ii) The accompanying notes to the statement of comprehensive income form an integral part of the statement of comprehensive income

	The Group					
	3Q2014 US$'000	3Q2013 US$'000	% Change	**9M2014 US$'000**	9M2013 US$'000	% Change
Profit before tax has been arrived at after charging/(crediting):						
Depreciation and amortization	**549**	336	63.4	**1,507**	1,018	48.0
Foreign exchange loss/(gain) (net)	**18**	37	(51.4)	**(57)**	144	N/m
Interest expense (Note)	**304**	82	270.7	**432**	225	92

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Note: Interest expense included an amount of USD228,000 arising from the adjustment of the Group's borrowings to the fair value.

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

	The Group		The Company	
	As at 31 Dec 2013 US$'000	As at 31 Mar 2013 US$'000	**As at 31 Dec 2013 US$'000**	As at 31 Mar 2013 US$'000
Non-current assets				
Plant and equipment	974	536	-	-
Subsidiaries	-	-	14,345	14,345
Intangible assets	14,849	14,190	-	-
Deferred tax assets	2,085	2,152	-	-
	17,908	16,878	14,345	14,345
Current assets				
Inventories	4,185	3,320	-	-
Amount due from customers for contract work	338	94	-	-
Trade receivables	3,572	3,980	-	-
Other receivables, deposits and prepayments	1,480	814	18	5
Available-for-sales financial assets	2	2	2	2
Due from subsidiaries (non-trade)	-	-	5,404	5,371
Fixed deposit	47	47	-	-
Cash and bank balances	435	198	26	5
	10,059	8,455	5,450	5,383
Total assets	27,967	25,333	19,795	19,728
Current liabilities				
Trade payables	3,413	2,108	-	-
Other payables and accruals	1,716	1,342	499	404
Provisions	213	330	128	128
Borrowings	2,864	2,739	-	-
Advances received from customers	408	9	-	-
Due to subsidiaries (non-trade)	-	-	38	75
	8,614	6,528	665	607
Net current assets	1,445	1,927	4,785	4,776
Non-current liabilities				
Borrowings	(1)	(20)	-	-
Net assets	19, 352	18,785	19,130	19,121
Equity attributable to the Company's equity holders				
Share capital	57,667	57,615	57,667	57,615
Capital reserve	754	754	7	7
Fair value adjustment reserve	(101)	(101)	(101)	(101)
Accumulated losses	(38,968)	(39,483)	(38,443)	(38,400)
Total equity	19,352	18,785	19,130	19,121

1.(b)(ii) Aggregate amount of borrowings and debts securities for the Group.

	The Group	
	As at 31 Dec 2013 US$'000	As at 31 Mar 2013 US$'000
Amount repayable in one year or less or on demand		
Secured(1)	**2,864**	2,739
Unsecured	**-**	-
	2,864	2,739
Amount repayable after one year		
Secured(1)	**1**	20
Unsecured	**-**	-
	1	20

Details of any collateral

(1) These are secured against:

- A floating charge on the inventories of a subsidiary of the Company
- An escrow account with a bank of a subsidiary of the Company
- A corporate guarantee from the Company

1.(c) A cash flow statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group	
	3Q2014	3Q2013
	US$'000	US$'000
OPERATING ACTIVITIES		
Profit/(loss) before tax	**79**	(113)
Adjustments for:		
Amortisation of intangible assets	**422**	281
Depreciation of plant and equipment	**127**	55
Interest expense	**304**	82
Provision	**168**	109
Operating profit before changes in working capital	**1,100**	414
Changes in working capital		
Inventories	**(118)**	89
Trade and other receivables	**(713)**	(264)
Amount due from customers for contract work	**(143)**	(80)
Trade and other payables	**1,208**	574
Development expenditure	**(667)**	(616)
Advances received from customers	**104**	139
NET CASH GENERATED FROM OPERATING ACTIVITIES	***771***	*256*
INVESTING ACTIVITIES		
Purchase of plant and equipment	**(354)**	(87)
Purchase of computer software	**-**	(27)
NET CASH USED IN INVESTING ACTIVITIES	***(354)***	*(114)*
FINANCING ACTIVITIES		
Repayment of borrowings – net	**(163)**	(341)
Proceeds from issue of shares (net of issue expenses)	**30**	105
Interest paid	**(76)**	(82)
NET CASH USED IN FINANCING ACTIVITIES	***(209)***	*(318)*
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**208**	(176)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	**227**	412
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	**435**	236

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

	The Group						
	Share capital	**Accumulated losses**	**Capital reserves**	**Fair value adjustment reserves**	**Currency translation reserve**	**Non-controlling interests**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Balance as at 1 April 2013	57,615	(39,483)	754	(101)	-	-	18,785
Issuance of new shares pursuant to exercise of share options under the ESOS Scheme (as defined below) - net of share issue expenses	52	-	-	-	-	-	52
Comprehensive income for the financial period	-	515	-	-	-	-	515
Balance as at 31 December 2013	57,667	(38,968)	754	(101)	-	-	19,352

	The Group						
	Share capital	**Accumulated losses**	**Capital reserves**	**Fair value adjustment reserves**	**Currency translation reserve**	**Non-controlling interests**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Balance as at 1 April 2012	56,065	(39,452)	877	(97)	-	-	17,393
Issuance of new shares pursuant to exercise of share options under the ESOS Scheme (as defined below) - net of share issue expenses	1,386	-	-	-	-	-	1,386
Comprehensive loss for the financial period	-	(352)	-	-	-	-	(352)
Balance as at 31 December 2012	57,451	(39,804)	877	(97)	-	-	18,427

	The Company					
	Share capital	Accumulated losses	Capital reserves	Fair value adjustment reserves	Currency translation reserve	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 April 2013	57,615	(38,400)	7	(101)	-	19,121
Issuance of new shares pursuant to exercise of share options under the ESOS Scheme (as defined below) – net of share issue expenses	52	-	-	-	-	52
Comprehensive loss for the financial period	-	(43)	-	-	-	(43)
Balance as at 31 December 2013	57,667	(38,443)	7	(101)	-	19,130

	The Company					
	Share capital	Accumulated losses	Capital reserves	Fair value adjustment reserves	Currency translation reserve	Total
	US$'000	US$'000	US$ '000	US$'000	US$'000	US$'000
Balance as at 1 April 2012	56,065	(38,435)	130	(97)	-	17,663
Issuance of new shares pursuant to exercise of share options under the ESOS Scheme (as defined below) – net of share issue expenses	1,386	-	-	-	-	1,386
Comprehensive loss for the financial period	-	(81)	-	-	-	(81)
Balance as at 31 December 2012	57,451	(38,516)	130	(97)	-	18,968

1.(d)(ii) Details of any changes in 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 previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediate preceding financial year.

A. Share Capital of the Company	No of shares	US$'000
Balance as at 1 October 2013	1,178,885,813	57,637
Issuance of new ordinary shares pursuant to the exercise of share options granted under the ESOS Scheme (as defined hereafter)	1,070,000	30
Balance as at 31 December 2013	1,179,955,813	57,667

B. Share options

As at 31 December 2013, there were 7,400,000 outstanding shares options, issued pursuant to the Addvalue Technologies Employees' Share Option Scheme (the "ESOS Scheme"), which are capable of being exercised into the same equivalent number of shares of the Company (31 December 2012: 12,690,000).

Save as disclosed, the Company has no other outstanding convertibles and treasury shares as at 31 December 2013 and 31 December 2012.

Save for the exercise of share options under the ESOS Scheme, there was no movement in the share capital of the Company during 3Q2014.

1.(d)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 Dec 2013	As at 31 Mar 2013
Total number of issued ordinary shares (excluding treasury shares)	**1,179,955,813**	1, 178,085,813

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 reported on.

The Company has had no treasury shares as at 31 December 2013. Neither were there any sale, transfer, disposal, cancellation and/or use of treasury shares by the Company during 3Q2014.

2. Whether the figures have been audited, or reviewed in accordance with which standard (eg. The Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 had applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 March 2013.

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.

The Group has adopted the following new and revised FRS relevant to its operations, which took effect from the financial year beginning on or after 1 April 2013 (the "New and Revised FRS"):

a. Amendments to FRS 1 Presentation of Items of Other Comprehensive Income
b. Revised FRS 19 Employee Benefits
c. FRS 113 Fair Value Measurement
d. Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities
   Improvements to FRSs 2012
e. Amendments to FRS 1 – Presentation of Financial Statements
f. Amendments to FRS 16 – Property, Plant and Equipment
g. Amendments to FRS 54 – Financial Instruments: Presentation

The initial adoption of the New and Revised FRS (and their consequential amendments) is not expected to have any material impact on the Group's financial performance and position for 2Q2014.

6. Earnings per ordinary shares of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	As at 31 Dec 2013 US$'000	As at 31 Dec 2012 US$'000
Net profit/(loss) attributable to shareholders	**515**	(352)
Earning/(loss) per share		
Basic (US cents)	**0.04**	(0.03)
Diluted (US cents)	**0.04**	(0.03)

Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,178,875,700**	1,162,066,888
Effect of potentially dilutive ordinary shares – Share options[1]	**4,367,630**	12,885,710
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,183,243,330**	1,174,952,598

Note:

(1) *Effect of potentially dilutive ordinary shares is calculated for the outstanding share options granted in 2010 under the ESOS Scheme. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The differences are added to the denominator as an issuance of ordinary shares for no consideration. No adjustment is made to earnings (numerator).*

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	The Group		The Company	
	As at 31 Dec 2013 US$'000	As at 31 Mar 2013 US$'000	**As at 31 Dec 2013 US$'000**	As at 31 Mar 2013 US$'000
Net asset value as at end of financial period/year	**19,352**	18,785	**19,130**	19,121
Net asset value per ordinary share as at the end of financial period/year (US cents)	**1.64[1]**	1.59[2]	**1.62[1]**	1.62[2]

Notes:

(1) *Based on 1,179,955,813 issued shares.*

(2) *Based on 1,178,085,813 issued 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 earning 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 report on.

Overview

Addvalue, a world renowned one-stop digital, wireless and broadband communications technology products innovator, provides state-of-the-art satellite-based communication terminals and solutions for a variety of voice and IP-based data applications. The Group has established itself as a key partner to many major players in the satellite communication industry, counting amongst its customer base internationally established leaders such as Inmarsat, Thuraya, SingTel, Astrium, Satlink, Globe Wireless and Intellian.

Addvalue is presently a leading global developer and supplier of mobile satellite terminals supporting coverage provided by premier mobile satellite communication operators such as Inmarsat and Thuraya. These terminals are ideal choices for communications in areas around the world where terrestrial networks are non-existent, inept, ineffective or of poor value for money. This is particularly so for maritime communications which rely almost entirely on satellite communications, and Addvalue's products are well poised to address these needs.

Addvalue also offers customised design services, tailored to the unique needs of each of its existing and potential customers, with its total satellite communication solutions derived from its proven technologies, established capabilities as well as strong and tested working relationships with the world leading premier mobile satellite operators.

(a) <u>Review of financial performance of the Group for 3Q2014 (relative to 3Q2013)</u>

Turnover

Our Group increased its turnover by 61.6% in 3Q2014 to US$3.6 million from US$2.2 million attained in 3Q2013. The increase was attributable principally to both increased sales from our maritime products, particularly our new FX series range of terminals as well as our new Thuraya-centric narrowband products, and higher design income, particularly in respect of a new design contract entered into with Inmarsat in 3Q2013 for the development of a new low-cost terminal which, premised on Inmarsat-4 BGAN platform and via Wifi, will empower customers to use their smart phone or tablet whenever they go by accessing an app on the user's device (the "New Terminal"). The hike in turnover had also resulted in our Group recording a revenue growth of 63.7% in 9M2014, from US$6.4 million in 9M2013, to US$10.4 million, which surpassed that of US$10.2 million attained for the whole of FY2013.

Profitability

Our Group registered a gross profit of US$1.7 million in 3Q2014 compared to US$1.1 million in 3Q2013, with gross profit margin improved from 47.9% to 48.5% over the two periods under consideration due primarily to sales of higher yielding products in 3Q2014.

In tandem with increased business activities, our selling and distribution expenses increased by 13.1% from US$259,000 in 3Q2013 to US$293,000 in 3Q2014.

Our administrative expenses increased by 12.8% from US$351,000 in 3Q2013 to US$396,000 in 3Q2014, due mainly to higher manpower costs and increased rental costs over a bigger new office premise which we moved into in 3Q2014.

Our other operating expenses increased by 38.0% from US$489,000 in 3Q2013 to US$675,000 in 3Q2014, principally as a result of increased amortisation of intangible assets following the completion of several projects in FY2013; write-off of the remaining renovation costs in respect of our former office premises; and higher depreciation charge following our relocation to the new office premises.

Included in our finance expenses in 3Q2014 was an amount of US$228,000 attributed to the adjustment of the Group's borrowings to its fair value.

Consequence to the above, our Group reversed from a net loss after tax of US$113,000 in 3Q2013 to a net profit after tax of US$71,000 in 3Q2014 and from a net loss after tax of US$352,000 in 9M2013 to a net profit after tax of US$515,000 in 9M2014.

<u>(b) Review of financial position of the Group as at 31 December 2013 (relative to that as at 31 March 2013)</u>

The increase in our property, plant and equipment was principally attributed to the capitalization of renovation costs as well as new office furniture and equipment acquired in October 2013 in conjunction with the relocation to our new office premises.

The increase in our intangible assets was attributed mainly to the development expenditures as we continue to develop our proprietary products, including new spin-off products.

The increase in our inventories was mainly attributed to increased finished goods as well as raw materials purchased in meeting increased production needs.

The decrease in our trade receivables was largely due to collections received in 3Q2014. As at the date of this announcement, we received payments aggregating US$2.2 million, thereby reducing the trade receivables of US$3.6 million as at 31 December 2013 to US$1.4 million.

The higher amount due from customers for contract work as at 31 December 2013 relative to that of 31 March 2013 was due to work done but yet to be billed in respect of a new design project.

The increases in our other receivables, deposits and prepayments in 3Q2014 were due mainly to prepayments to suppliers for goods and services to be provided as well as additional deposits placed with the landlord of our new office premises.

The increase in our trade payables was in line with increased business activities while the increase in advances received from customers was attributable to deposits placed by certain customers for some special projects. The increases in other payables and accruals were attributable to renovation works.

The slight increase in current borrowings was mainly attributed to the additional loan procured in 2Q2014, albeit a fair value downward adjustment made in 3Q2014, and it having been reclassified from a non-current borrowing to a current liability as the loan is due for repayment within the next 12 months.

The increase in share capital was attributed to the exercise of 1,070,000 employees' share options by employees of the Group in 3Q2014 pursuant to the ESOS Scheme.

Consequence to the above:

1. the gearing of the Group (defined as the ratio of all interest-bearing loans of the Group to the shareholders' fund of the Group) remained low at 14.7% as at 31 March 2013 compared to that of 14.8% as at 31 December 2013;
2. the operating cash position of the Group improved from US$0.3 million in 3Q2013 to US$0.8 million in 3Q2014, albeit a lower working capital of US$1.4 million as at 31 December 2013 compared to that of US$1.9 million as at 31 March 2013; and
3. the net asset value of the Group improved by US$0.6 million or 3.0% from US$18.8 million as at 31 March 2013 to US$19.4 million as at 31 December 2013, with the net asset value per ordinary share enhanced from 1.59 US cents per share as at 31 March 2013 to 1.64 US cents per share as at 31 December 2013.

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

Not applicable.

10. A commentary at the date of the announcement of the 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

We are excited about our prospects for the next 12 months, particularly the last financial quarter of FY2014 ("4Q2014"), in view of the following developments:

1. ***The anticipated sustaining sales of our maritime products***. The sales of our maritime products are expected to continue to remain robust, be it via OEM customers selling customized maritime terminals under their own brand names or on our own under our Wideye™ brand, following the successful promotion of new aggressive air-time packages by both Inmarsat and Thuraya. Noting that our existing OEM customers with strong entrenched customer base are capitalizing on these more favourable air-time pricings, we are seeing more repeat orders, with some at higher order quantities, being placed by them.

2. ***The anticipated growth in sales of our land products***. The sales of our land products under our own Wideye™ brand in 3Q2014 grew by more than 60% compared to the same period in FY2013. The marked growth was attributed mainly to increased interest in our land vehicular products and BGAN M2M terminals for SCADA applications following intense promotion by us and our distributors, and we expect this growth trench to continue into FY2015. Separately, we expect to complete the design for the New Terminal by the end of 4Q2014 with the new product scheduled to be rolled out in the first half of FY2015, thereby boosting our sales performance in FY2015 and beyond.

3. ***The promising market hailing from China***. We are currently aggressively pursuing the lucrative Chinese market. To date, we have successfully collaborated with a Chinese partner to develop a satellite terminal specially customized for the Chinese market. This product, having been endorsed and approved by our customer in China and is currently under sea trial, is expected to be launched by the first half of FY2015.

4. ***The design income to be derived from several design contracts, including the New Terminal design contract.*** Such design works are expected to be substantially completed and recognized in FY2014 as planned since the contracts have been running smoothly in accordance to design schedules.

As the profit from operations of US$383,000 achieved by the Group for 3Q2014 constituted about 94.6% of the Group's profit from operations of US$405,000 attained for the first half of FY2014 ("1H2014") and with the turnover generated by the Group of US$10.4 million for 9M2014 surpassing the Group's full year turnover of US10.2 million achieved in FY2013, barring any unforeseen circumstances and taking into account the above developments, we maintain to expect our Group's performances in the second half of FY2014 ("2H2014") to significantly better than that of 1H2014 and for FY2014 to be significantly outperform that of FY2013.

We have decided to put on hold our pursuit in monetizing some of our Intellectual properties in view of the uncertainty in the patent environment now pending an expected change in the patent legislative process in the USA.

Lastly, we would like to highlight that Addvalue's success is dependent on how innovative and nimble we are in adapting and responding to the changes in the environment of satellite industry. For our longer term growth and prospects, we are embarking on the development of innovative satellite solutions, and, in this regard, we are proud and honoured to be mentioned in the speech by Mr S Iswaran, Minister (Prime Minister's office) and Second Minister for Home Affairs and Trade & Industry, at the Global Space and Technology Convention on 6 February 2014.

Please visit the following link for the full speech by Mr S Iswaran:
http://www.mti.gov.sg/NewsRoom/Pages/Mr-S-Iswaran-at-the-Global-Space-and-Technology-Convention-2014.aspx

Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and factors such as general economic and business conditions, including the uncertainties of the pace of recovery of the United States of America economy, continued concerns of the scale of the possible adverse fallouts and their implications on the global scene triggered by the current euro zone debt crisis, inflationary pressures and currency appreciation which will affect the continued strong growth in Asia, especially East Asia; change in technology; timing or delay in signing, commencement, implementation and performance of programs, or the delivery of products or services under them or the implementation of the improved air-time package by the satellite operators; structural change in the satellite industry; relationships with customers; competition; ability to attract personnel. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future and any negative impacts arising from these issues will affect the performance of the Group's businesses, undue reliance must not be placed on these statements.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No.

(b) (i) Amount per share: Nil cents

(ii) Previous corresponding period: Nil cents

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended for 3Q2014.

13. If the group has obtained general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to

that effect.

No general mandate for IPT from the shareholders of the Company has had been sought.

14. Negative assurance confirmation on interim financial results pursuant to Rule 705(5) of the Listing Manual.

To the best of our knowledge and belief, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the three-month ended 31 December 2013 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Dr Colin Chan Kum Lok
Chairman & CEO

Tan Khai Pang
Director

14 February 2014