ADDVALUE TECHNOLOGIES LTD
Company Registration No. 199603037H

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD FINANCIAL QUARTER AND THE NINE-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2016 ("3Q2017" AND "9M2017" RESPECTIVELY) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 MARCH 2017 ("FY2017")

PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), 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 immediate preceding financial year

	3Q2017 US$'000	3Q2016 US$'000	% Change	**9M2017 US$'000**	9M2016 US$'000	% Change
Revenue	**2,041**	2,099	(2.8)	**9,357**	5,615	66.6
Cost of sales	**(1,552)**	(1,344)	15.5	**(5,407)**	(3,412)	58.5
Gross profit	**489**	755	(35.2)	**3,950**	2,203	79.3
Other operating income	**22**	29	(24.1)	**92**	335	(72.5)
Selling & Distribution expenses	**(171)**	(201)	(14.9)	**(548)**	(662)	(17.2)
Administrative expenses	**(558)**	(585)	(4.6)	**(1,920)**	(1,960)	(2.0)
Other operating expenses	**(790)**	(828)	(4.6)	**(2,328)**	(2,319)	0.4
Profit/(loss) from operations	**(1,008)**	(830)	21.4	**(754)**	(2,403)	(68.6)
Finance expenses	**(2)**	(230)	(99.1)	**(422)**	(595)	(29.1)
Profit/(loss) before tax	**(1,010)**	(1,060)	(4.7)	**(1,176)**	(2,998)	(60.8)
Taxation	**(16)**	2	N/m	**(16)**	2	N/m
Net profit/(loss) for the period	**(1,026)**	(1,058)	(3.0)	**(1,192)**	(2,996)	(60.2)
Other comprehensive income- Exchange differences arising from translation of foreign operations	**(6)**	15	N/m	**(6)**	(9)	(33.3)
Total comprehensive income/(loss) for the period	**(1,032)**	(1,043)	(1.1)	**(1,198)**	(3,005)	(60.1)
Attributable to:						
Equity holders of the Company	**(1,032)**	(1,043)	(1.1)	**(1,198)**	(3,005)	(60.1)
Total comprehensive income for the period	**(1,032)**	(1,043)	(1.1)	**(1,198)**	(3,005)	(60.1)

"3Q2016" denotes the third financial quarter ended 31 December 2015 in respect of the financial year ended 31 March 2016 ("FY2016").
"9M2016" denotes the first nine-month financial period ended 31 December 2015 in respect of FY2016.
"% 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 statements of comprehensive income form an integral part of the statements of comprehensive income

	The Group					
	3Q2017 US$'000	3Q2016 US$'000	% Change	**9M2017 US$'000**	9M2016 US$'000	% Change
Profit before tax has been arrived at after charging/(crediting):						
Depreciation and amortization	**620**	615	0.8	**1,835**	1,767	3.8
Inventory written off	**7**	-	N/m	**69**	-	N/m
Foreign exchange loss/(gain) (net)	**(15)**	(236)	(93.6)	**35**	(281)	N/m
Interest expense	**2**	186	(98.9)	**422**	488	(13.5)

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 2016 US$'000	As at 31 Mar 2016 US$'000	**As at 31 Dec 2016 US$'000**	As at 31 Mar 2016 US$'000
Non-current assets				
Plant and equipment	**748**	939	**-**	**-**
Subsidiaries	**-**	-	**5,228**	5,228
Intangible assets	**12,873**	12,607	**-**	-
Deferred tax assets	**1,208**	1,208	**-**	-
	14,829	14,754	**5,228**	5,228
Current assets				
Inventories	**3,066**	3,703	**-**	-
Amount due from customers for contract work	**154**	66	**-**	-
Trade receivables	**1,567**	2,181	**-**	-
Other receivables, deposits and prepayments	**938**	1,044	**76**	540
Available-for-sales financial assets	**2**	2	**2**	2
Due from subsidiaries (non-trade)	**-**	-	**8,041**	747
Fixed deposit	**40**	40	**-**	-
Cash and bank balances	**260**	426	**149**	1
	6,027	7,462	**8,268**	1,290
Total assets	**20,856**	22,216	**13, 496**	6,518
Current liabilities				
Trade payables	**1,660**	3,768	**-**	-
Other payables and accruals	**2,014**	4,178	**876**	1,874
Provisions	**212**	250	**87**	128
Borrowings	**523**	4,852	**484**	1,109
Advances received from customers	**479**	830	**-**	-
Deferred income	**25**	40	**-**	-
Provision for income tax	**-**	-	**-**	-
	4,913	13,918	**1,447**	3,111
Non-current liabilities				
Borrowings	**12**	41	-	-
Deferred tax liabilities	**-**	-	-	-
	12	41	**-**	-
Total liabilities	**4,925**	13,959	**447**	3,111
Net assets	**15,931**	8,257	**12,049**	3,407
Equity attributable to the Company's equity holders				
Share capital	**66,753**	57,881	**66,753**	57,881
Capital reserve	**747**	747	**-**	-
Statutory reserve	**8**	8	**-**	-
Foreign currency translation reserve	**(12)**	(6)	**-**	-
Accumulated losses	**(51,565)**	(50,373)	**(54,704)**	(54,474)
Total equity	**15,931**	8,257	**12,049**	3,407

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

	The Group	
	As at 31 Dec 2016 US$'000	As at 31 Mar 2016 US$'000
Amount repayable in one year or less or on demand		
Secured[1]	**39**	3,743
Unsecured	**484**	1,109
	523	4,852
Amount repayable after one year		
Secured[1]	**12**	41
Unsecured	**-**	-
	12	41

Details of any collateral

(1) The secured borrowings as at 31 March 2016 which were repaid in June 2016 were secured against:

- A floating charge on the inventories and trade receivables of a subsidiary of the Company
- A escrow accounts 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	
	3Q2017	3Q2016
	US$'000	US$'000
OPERATING ACTIVITIES		
Loss before tax	**(1,010)**	(1,060)
Adjustments for:		
Amortisation of intangible assets	**533**	517
Amortisation of deferred income	**(5)**	(34)
Depreciation of plant and equipment	**87**	98
Interest expense	**2**	186
Unrealised foreign exchange gain	**(32)**	(110)
Provision	**130**	70
Operating profit/(loss) before changes in working capital	**(295)**	(333)
Changes in working capital		
Inventories	**69**	(706)
Trade and other receivables	**26**	35
Amount due from customers for contract work	**179**	190
Trade and other payables	**806**	122
Development expenditure	**(558)**	(661)
Provisions	**(166)**	10
Advances received from customers	**(368)**	410
CASH USED IN OPERATIONS	**(307)**	(933)
Income tax paid	**(16)**	-
NET CASH USED IN OPERATING ACTIVITIES	***(323)***	*(933)*
INVESTING ACTIVITIES		
Purchase of plant and equipment	**(25)**	(18)
Proceeds from government grant	**-**	63
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	***(25)***	*45*
FINANCING ACTIVITIES		
Repayment of borrowings – net	**(10)**	(115)
Proceeds from borrowings	**512**	-
Advance from a shareholder	**-**	1,000
Interest paid	**(2)**	(96)
NET CASH GENERATED FROM FINANCING ACTIVITIES	***500***	*789*
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**152**	(99)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	**108**	203
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	**260**	104

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	Capital reserve	Statutory reserve	Foreign currency translation reserve	Accumulated losses	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 April 2016	57,881	747	8	(6)	(50,373)	8,257
Issuance of new shares pursuant to the Rights Issue (as defined below) - net of share issue expenses	8,872	-	-	-	-	8,872
Comprehensive loss for the financial period	-		-	(6)	(1,192)	(1,198)
Balance as at 31 December 2016	66,753	747	8	(12)	(51,565)	15,931

	The Group					
	Share capital	Capital reserve	Statutory reserve	Foreign currency translation reserve	Accumulated losses	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 April 2015	57,881	747	10	-	(45,664)	12,974
Comprehensive loss for the financial period	-	-	-	(9)	(2,996)	(3,005)
Balance as at 31 December 2015	57,881	747	10	(9)	(48,660)	9,969

	The Company			
	Share capital	Capital reserve	Accumulated losses	Total
	US$'000	US$'000	US$'000	US$'000
Balance as at 1 April 2016	57,881	-	(54,474)	3,407
Issuance of new shares pursuant to the Rights Issue (as defined below) – net of share issue expenses	8,872	-	-	8,872
Comprehensive loss for the financial period	-	-	(230)	(230)
Balance as at 31 December 2016	66,753	-	(54,704)	12,049

	The Company			
	Share capital	Capital reserve	Accumulated losses	Total
	US$'000	US$'000	US$'000	US$'000
Balance as at 1 April 2015	57,881	-	(52,029)	5,852
Comprehensive income for the financial period	-	-	60	60
Balance as at 30 September 2015	57,881	-	(51,969)	5,912

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 April 2016	1,187,355,813	57,881
Issue of new shares pursuant to the Rights Issue (as defined below) (net of share issue expenses)	395,785,271	8,873
Balance as at 30 June 2016	1,583,141,084	66,754
Share issue expenses	-	(1)
Balance as at 30 September 2016 and 31 December 2016	1,583,141,084	66,753

Pursuant to a rights issue of 395,785,271 new ordinary shares of the Company (the "Rights Shares") on the basis of one Rights Share for every 3 existing ordinary shares of the Company at an issue price of S$0.031 each (the "Rights Issue"), the Company allotted and issued the Rights Shares in 1Q2017. The Rights Shares were listed and quoted on the Main Board of the Singapore Exchange Securities Trading Limited on 17 June 2016. Save for the Rights Issue, there was no movement in the share capital of the Company during 3Q2017.

Use of the proceeds from the Rights Issue pursuant to Rule 704 (30)

As at the date of this announcement, as reported in 2Q2017, the net proceeds of about US$8.9 million (S$12.0 million) raised from the Rights Issue had been fully utilized, which is in accordance with the intended use of proceeds of the Rights Issue as follows:

Use of Placement proceeds

	US$ million
Repayment of secured borrowings	3.7
General working capital purposes:	
Payments to trade and other payables	1.7
Payments to suppliers for materials and services	2.2
Payment of administrative expenses, including payroll and other services	1.3
Total amount utilized	8.9

B. Share Options

The Addvalue Technologies Employees' Share Option Scheme approved and adopted by the Company on 24 October 2001 (the "ESOS Scheme") in providing an opportunity for eligible participants of the Group who have contributed to the growth and prosperity of the Group to participate in the equity of the Company had expired on 21 June 2014, with all outstanding options granted under the ESOS Scheme, if not exercised by then, lapsed.

As at 31 December 2016 and 31 December 2015, the Company has neither treasury shares nor outstanding dilutive securities (including share options) which are capable of being converted into the shares of the Company.

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 2016	As at 31 Mar 2016
Total number of issued ordinary shares (excluding treasury shares)	**1,583,141,084**	1,187,355,813

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 2016. Neither were there any sale, transfer, disposal, cancellation and/or use of treasury shares by the Company during 3Q2017.

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 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 2016.

The adoption of new and revised Financial Reporting Standards ("FRS") and the interpretations of FRS ("INT FRS") that are mandatory for the financial year beginning on or after 1 April 2016 is not expected to have any significant impact to the Group.

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 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 2016 US$'000	**As at 31 Dec 2015 US$'000**
Net loss attributable to shareholders	**(1,192)**	(2,996)
Loss per share		
Basic (US cents)	**(0.08)**	(0.25)
Diluted (US cents)	**(0.08)**	(0.25)

Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,473,760,427**	1,187,355,813
Effect of potentially dilutive ordinary shares – Share options (Note 1)	**-**	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,473,760,427**	1,187,355,813

Note:

(1) As at 31 December 2016 and 31 December 2015, the Company has neither treasury shares nor outstanding dilutive securities (including share options) which are capable of being converted into the shares of the Company.

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 2016 US$'000	As at 31 Mar 2016 US$'000	**As at 31 Dec 2016 US$'000**	As at 31 Mar 2016 US$'000
Net asset value as at end of financial period/year	**15,931**	8,257	**12,049**	3,407
Net asset value per ordinary share as at the end of financial period/year (US cents)	**1.01**[1)]	0.70[(2)]	**0.76**[(1)]	0.29[(2)]

Note:

(1) Based on 1,583,141,084 issued shares.
(2) Based on 1,187,355,813 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

The Company (and together with its subsidiaries, the "Group" or "Addvalue") is a world renowned one-stop digital, wireless and broadband communications technology products innovator, which 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 renowned leaders such as Inmarsat, Thuraya, SingTel, Marlink, Satlink, Intellian, Applied Satellite Technology Ltd and Satcom Global.

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 or ineffective. This is particularly so for maritime communications, which rely almost entirely on satellite communications, and Addvalue's products are well suited 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 3Q2017 (relative to 3Q2016)</u>

Turnover

The turnover of our Group decreased marginally by 2.8% or US$0.1 million to US$2.0 million in 3Q2017 from US$2.1 million in 3Q2016. The decrease was attributed largely to the reduction in the provision of design services from US$0.5 million in 3Q2016 to US$0.1 million in 3Q2017, albeit an improvement in product sales by about US$0.3 million in Q3FY2017.

On a year-to-date basis, the turnover of the Group improved significantly by 66.6% or US$3.8 million from US$5.6 million in 9M2016 to US$9.4 million in 9M2017. The marked improvement in performance in 9M2017 relative to that in 9M2016 vindicates our strategy on the "Emerging Market Focus" and "Commercial Re-focusing" as outlined in para 10 of the Group's announcement dated 5 August 2016 of its results for 1Q2017.

Profitability

Our Group registered a gross profit of US$0.5 million against a gross profit margin of 24.0% in 3Q2017 relative to a gross profit of US$0.8 million against a gross profit margin of 36.0% in 3Q2016. The decrease in gross profit margin was attributable mainly to increased sales of lower yielding products.

In line with our ongoing cost containment efforts, our selling and distribution expenses continued to decrease by US$31,000 or 14.9% from US$201,000 in 3Q2016 to US$171,000 in 3Q2017 while our administrative expenses and other operating expenses respectively also decreased by US$27,000 or 4.6% from US$585,000 in 3Q2016 to US$558,000 in 3Q2017 and by US$38,000 or 4.6% from US$828,000 in 3Q2016 to US$790,000 in 3Q2017.

The substantial decrease in our finance expenses in 3Q2017 relative to 3Q2016 by 99.1% was attributed mainly to the repayment of borrowings in June 2016 with proceeds from the Rights Issue.

As a result of the above, our Group narrowed its net loss from US$1.1 million in 3Q2016 to US$1.0 million in 3Q2017 and significantly reduced its net loss from US$3.0 million in 9M2016 to US$1.2 million in 9M2017 while reversing its EBITDA from a loss of US$0.7 million to a gain of US$1.1 million.

Notwithstanding the loss sustained by the Group, the principal wholly-owned subsidiary of the Group, Addvalue Innovation Pte Ltd, remains profitable for 9M2017. The loss of the remaining Group was and had been attributed mainly to the continued amortisation of the intangible assets of the Company's wholly-owned subsidiary, Addvalue Communications Pte Ltd ("AVC"), which, pursuant to its proposed disposal by the Company (as first announced by the Company on 25 March 2014 and periodically thereafter on its progress, the latest being on 4 November 2016) (the "Disposal"), had led the Group since March 2014 to stop actively pursuing new business activities for AVC while taking active steps to reduce the operations of AVC.

(b) Review of financial position of the Group as at 31 December 2016 (relative to that as at 31 March 2016)

The decrease in plant and equipment was attributed mainly to depreciation.

The increase in our intangible assets was attributed mainly to development expenditures as we continue to develop our proprietary products, including new spin-off products, albeit the offset by higher amortisation during 9M2017.

The decrease in inventories was attributed mainly to the deliveries of certain finished products while the decrease in trade receivables was due mainly to payments received from customers.

The higher amount due from customers for contract work as at 31 December 2016 relative to that as at 31 March 2016 was due mainly to further work done for certain contracts which had yet to be billed.

The decrease in other receivables, deposits and prepayments was due mainly to the release of a security deposit in settlement of an account payable in 2Q2017.

The decrease in our trade payables and other payables and accruals were mainly attributed to payments made in 1Q2017.

The decrease in provisions relates mainly to the reclassification of "provision for directors' fees" to "other payables" following the procurement of approval for such fees from the Shareholders at the last Annual General Meeting.

The decrease in borrowings was mainly due to the settlement of secured borrowings and short-term loans which matured in 1Q2017.

The increase in share capital was attributed to the Rights Issue which was completed in 1Q2017.

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) significantly improved from 59.3% as at 31 March 2016 to 3.4% as at 31 December 2016;

2. the working capital position of the Group reversed to a positive US$1.1 million as at 31 December 2016 from a negative US$6.5 million as at 31 March 2016;

3. the net cash flow of the Group used in operations reduced from US$0.9 million in 3Q2016 to US$0.3 million in 3Q2017; and

4. the net asset value of the Group significantly improved by US$7.7 million or 92.9% from US$8.3 million as at 31 March 2016 to US$15.9 million as at 31 December 2016, with the net asset value per ordinary share improved markedly from 0.70 US cents per share as at 31 March 2016 to 1.01 US cents per share as at 31 December 2016.

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

In 3Q2017, our Group launched a new maritime product, iFleetOne, which received very positive market response with encouraging indicative orders. Barring any unforeseen circumstance, we are confident that sales of this new maritime product would gather momentum and ratchet up over the next 12 months.

In response to the burgeoning market's demands for surveillance products utilizing the Internet-of-Things (IoT) tools, our Group also aims to launch a new M2M product in 4Q2017.

Apart from product sales, the Group is also in advanced discussions with several parties, including government agencies and industrial players, to procure a number of sizable design contracts shortly.

Based on the above and barring any unforeseen circumstances, the Group remains optimistic that its performance in FY2017 will outdo that of FY2016 and is cautiously confident that it will turn in a better performance in FY2018 compared to FY2017.

With regard to the new Inter-Satellite Data Relay System (IDRS) business which the Group is currently actively embarking on, progress on many fronts as follows, be it financially or commercially, had been made to date:

1. A committed grant of a significant sum had been secured from EDB to support the development of the technologies associated with the IDRS business;
2. As announced by the Company on 2 Feb 2017, a Memorandum of Understanding with Inmarsat had been entered into to allow the Group to offer air time services on an exclusive basis;
3. Against the abovementioned progress made thus far, the Group, against strong interests received, has also initiated discussions with a number of industrial players to work towards the commercialization of the IDRS services with formalised arrangements to be forged in due course; and
4. A streamlining of the structure of the Group to rationalize its business, so as to segregate its IDRS business (which is expected to carry air time revenue in time to come) from the Group's other existing businesses through the Company's wholly-owned subsidiary, Addvalue Solutions Pte Ltd, is being carried out.

As regards the Disposal, the buyer to the Disposal (the "Buyer") is still seeking ways to have the certain conditions to the supplemental agreement fulfilled. Accordingly, the expected completion date of the Disposal remain fluid and cannot be determined with certainty.

Aside from the Disposal, the Company, not being exclusively bound to any party, including the Buyer, is also at different stages of discussions with several interested third parties for various possible corporate investments in the Group (the "Possible Corporate Investments"). The Company will evaluate the merits and demerits of each of the Possible Corporate Investments and, at an appropriate time if a preferred Possible Corporate Investment is deemed viable but may get into the way of the Disposal transaction and the completion of the Disposal still remains fluid, the Company may then have to take a stand in deciding on the best course of action to take.

While both the Company and the Buyer are committed to use best commercial efforts to reach final agreement and in seeing the transaction through, Shareholders are to note that the Disposal is not to be taken as a done deal or that parties will eventually come to an agreement to proceed with the Disposal.

As the completion of the Disposal is still subject to the fulfilment of many conditions precedent, there can be no assurance of the completion of the Disposal or, if it were to be eventually completed, as to the length of time required to do so. Neither can there be any assurance that any of the Proposed Corporate Investments will come to fruition. Hence, Shareholders are advised to exercise caution when dealing in the securities of the Company. Shareholders are further advised to refrain from taking any action in relation to their securities which may be prejudicial to their interests, and to seek appropriate advice from their brokers, bankers, lawyers and other professional advisers.

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 undue currency movements which will affect the 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; and the 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 3Q2017.

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 months ended 31 December 2016 to be false or misleading in any material aspect.

15. 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.

For and on behalf of the Board of Directors

Dr Colin Chan Kum Lok Chairman & CEO	Tan Khai Pang Director

10 February 2017