ADDVALUE TECHNOLOGIES LTD
Company Registration No. 199603037H

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH FINANCIAL QUARTER AND THE FULL FINANCIAL YEAR ENDED 31 MARCH 2014 ("4Q2014" AND "FY2014" RESPECTIVELY)

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					
	4Q2014 US$'000	4Q2013 US$'000	% Change	**FY2014 US$'000**	FY2013 US$'000	% Change
Revenue	**4,567**	**3,820**	19.6	**14,961**	**10,171**	47.1
Cost of sales	**(3,139)**	**(2,358)**	33.1	**(8,700)**	**(5,662)**	53.7
Gross profit	**1,428**	**1,462**	(2.3)	**6,261**	**4,509**	38.9
Other operating income	**1**	**102**	(99.0)	**79**	**263**	(70.0)
Selling & distribution expenses	**(492)**	**(244)**	101.6	**(1,317)**	**(925)**	42.4
Administrative expenses	**(586)**	**(399)**	46.9	**(1,912)**	**(1,468)**	30.2
Other operating expenses	**(807)**	**(504)**	60.1	**(2,780)**	**(2,090)**	33.0
(Loss)/Profit from operations	**(456)**	**417**	N/m	**331**	**289**	14.5
Finance expenses	**(93)**	**(288)**	(67.7)	**(298)**	**(514)**	(42.0)
(Loss)/profit before tax	**(549)**	**129**	N/m	**33**	**(225)**	N/m
Taxation	**67**	**138**	(51.4)	**-**	**138**	N/m
Net (loss)/profit after tax for the period/year	**(482)**	**267**	N/m	**33**	**(87)**	N/m
Other comprehensive income						
Fair value gain/(loss) on available-for-sale financial assets	**2**	**(4)**	N/m	**2**	**(4)**	N/m
Exchange difference arising from translation of foreign operations	**(1)**	**-**	N/m	**(1)**	**-**	N/m
Total comprehensive (loss)/ income for the period/year	**(481)**	**263**	N/m	**34**	**(91)**	N/m
Attributable to:						
Equity holders of the Company	**(481)**	**263**	N/m	**34**	**(91)**	N/m
Total comprehensive (loss)/ income for the period/year	**(481)**	**263**	N/m	**34**	**(91)**	N/m

"4Q2013" denotes the fourth financial quarter ended 31 March 2013 in respect of the financial year ended 31 March 2013 ("FY2013").
"FY2013" denotes the financial year ended 31 March 2013.
"% 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					
	4Q2014 US$'000	4Q2013 US$'000	% Change	**FY2014 US$'000**	FY2013 US$'000	% Change
(Loss)/profit before tax has been arrived at after charging/(crediting):						
Depreciation and amortization	**448**	**335**	33.7	**1,955**	**1,354**	44,4
Foreign exchange (gain)/ loss (net)	**(46)**	**(12)**	283.3	**(46)**	**132**	N/m
Interest expense	**93**	**288**	(67.7)	**298**	**514**(1)	(42.)
Fixed assets written off	**71**	**-**	N/m	**71**	**-**	N/m
Inventories written off	**82**	**29**	182.8	**82**	**29**	182.8
Trade receivables written off	**16**	**-**	N/m	**16**	**-**	N/m
Allowance for impairment of trade receivables	**-**	**8**	N/m	**-**	8	N/m

Notes:

(1) Interest expense FY2013 included an amount of US$217,000 arising from the adjustment of the Group's non-current borrowings to its 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 Mar 2014 US$'000	As at 31 Mar 2013 US$'000	**As at 31 Mar 2014 US$'000**	As at 31 Mar 2013 US$'000
Non-current assets				
Plant and equipment	**1,025**	**536**	**-**	**-**
Subsidiaries	**-**	**-**	**14,345**	**14,345**
Intangible assets	**14,660**	**14,190**	**-**	**-**
Deferred tax assets	**2,152**	**2,152**	**-**	**-**
	17,837	**16,878**	**14,345**	**14,345**
Current assets				
Inventories	**3,878**	**3,320**	**-**	**-**
Amounts due from customers for contract work	**957**	**94**	**-**	**-**
Trade receivables	**2,758**	**3,980**	**-**	**-**
Other receivables, deposits and prepayments	**1,244**	**814**	**58**	**5**
Available-for-sales financial assets	**4**	**2**	**4**	**2**
Due from subsidiaries (non-trade)	**-**	**-**	**5,835**	**5,371**
Fixed deposit	**47**	**47**	**-**	**-**
Cash and bank balances	**257**	**198**	**10**	**5**
	9,145	**8,455**	**5,907**	**5,383**
Total assets	**26,982**	**25,333**	**20,252**	**19,728**
Current liabilities				
Trade payables	**2,303**	**2,108**	**-**	**-**
Other payables and accruals	**1,879**	**1,342**	**963**	**404**
Provisions	**279**	**330**	**128**	**128**
Borrowings	**55**	**2,739**	**-**	**-**
Advances received from customers	**593**	**9**	**-**	**-**
Due to subsidiaries (non-trade)	**-**	**-**	**-**	**75**
	5,109	**6,528**	**1,091**	**607**
Net current assets	**4,036**	**1,927**	**4,816**	**4,776**
Non-current liabilities				
Borrowings	**(2,901)**	**(20)**	-	-
Net assets	**18,972**	**18,785**	**19,161**	**19,121**
Equity attributable to the Company's equity holders				
Share capital	**57,772**	**57,615**	**57,772**	**57,615**
Capital reserve	**750**	**754**	**3**	**7**
Fair value adjustment reserve	**(99)**	**(101)**	**(99)**	**(101)**
Foreign currency translation reserve	**(1)**	**-**	**-**	**-**
Accumulated losses	**(39,450)**	**(39,483)**	**(38,515)**	**(38,400)**
Total equity	**18,972**	**18,785**	**19,161**	**19,121**

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

	The Group	
	As at 31 Mar 2014 US$'000	As at 31 Mar 2013 US$'000
Amount repayable in one year or less or on demand		
Secured(1)	**17**	2,739
Unsecured	**38**	-
	55	2,739
Amount repayable after one year		
Secured(1)	**2,862**	20
Unsecured	**39**	-
	2,901	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			
	4th Quarter		Year-To-Date	
	4Q2014 US$'000	4Q2013 US$'000	**FY2014 US$'000**	FY2013 US$'000
OPERATING ACTIVITIES				
(Loss)/profit before tax	**(549)**	**129**	**33**	**(225)**
Adjustments for:-				
Amortisation of intangible assets	**429**	**279**	**1,696**	**1,108**
Depreciation of plant and equipment	**19**	**56**	**259**	**246**
Interest expense	**93**	**288**	**298**	**514**
Provisions	**132**	**280**	**651**	**662**
Foreign exchange difference	**(1)**	**-**	**(1)**	**-**
Trade receivables written off	**16**	**-**	**16**	**-**
Allowance for impairment of trade receivables	**-**	**8**	**-**	**8**
Inventories written off	**82**	**29**	**82**	**29**
Plant and equipment written off	**71**	**-**	**71**	**-**
Operating profit before changes in working capital	**292**	**1,069**	**3,105**	**2,342**
Changes in working capital				
Inventories	**225**	**(728)**	**(640)**	**(1,152)**
Trade and other receivables	**1,035**	**(125)**	**777**	**(578)**
Amounts due from customers for contract work	**(619)**	**(14)**	**(863)**	**552**
Advances received from customers	**185**	**(136)**	**584**	**(46)**
Development expenditure	**(239)**	**(664)**	**(2,166)**	**(2,645)**
Trade and other payables	**(971)**	**674**	**30**	**307**
NET CASH (USED IN)/ GENERATED FROM OPERATING ACTIVITIES	**(92)**	**76**	**827**	**(1,220)**
INVESTING ACTIVITIES				
Purchase of plant and equipment[1]	**(131)**	**(34)**	**(810)**	**(167)**
Purchase of computer software	**-**	**(20)**	**-**	**(72)**
NET CASH USED IN INVESTING ACTIVITIES	***(131)***	***(54)***	***(810)***	***(239)***
FINANCING ACTIVITIES				
Net proceeds from issue of shares	**104**	**96**	**153**	**1,483**
Proceeds from borrowings	**67**	**-**	**677**	**601**
Repayments of loans - net	**(33)**	**(38)**	**(490)**	**(457)**
Placement of pledged deposit	**-**	**-**	**-**	**(48)**
Interest paid	**(93)**	**(71)**	**(298)**	**(296)**
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	***45***	***(13)***	***42***	***1,283***
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(178)**	**9**	**59**	**(176)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	**435**	**236**	**198**	**374**
CASH AND CASH EQUIVALENTS AT END OF YEAR[2]	**257**	**245**	**257**	**198**

Notes:

(1) For the purpose of the consolidated statement of cash flows, the Group's additions to plant and equipment during the year comprised:

	FY2014	FY2013
	US$'000	US$'000
Plant and equipment purchased during the year	***819***	***200***
Less: Financed by finance lease obligations, net	***(9)***	***(33)***
Cash payment to acquire plant and equipment	***810***	***167***

(2) Cash and cash equivalent as at 31 March 2014 consist of the following:

	FY2014	FY2013
	US$'000	US$'000
Cash and bank balances	***257***	***198***
Fixed deposits pledged to bank	***47***	***47***
Cash and cash equivalents	***304***	***245***

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	157	-	(4)	-	-	-	153
Comprehensive income for the financial year	-	33	-	2	(1)	-	34
Balance as at 31 March 2014	57,772	(39,450)	750	(99)	(1)	-	18,972

	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	1,550	-	(67)	-	-	-	1,483
Lapsed of share options	-	56	(56)	-	-		-
Comprehensive profit for the financial year	-	(87)	-	(4)	-	-	(91)
Balance as at 31 March 2013	57,615	(39,483)	754	(101)	-	-	18,785

	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	157	-	(4)	-	-	153
Comprehensive loss for the financial year	-	(115)	-	2	-	(113)
Balance as at 31 March 2014	57,772	(38,515)	3	(99)	-	19,161

	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	1,550	-	(67)	-	-	1,483
Lapsed of shares options	-	56	(56)	-	-	-
Comprehensive loss for the financial year	-	(21)	-	(4)	-	(25)
Balance as at 31 March 2013	57,615	(38,400)	7	(101)	-	19,121

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 January 2014	1,179,955,813	57,667
Issuance of new ordinary shares pursuant to the exercise of share options granted under the ESOS Scheme (as defined hereafter)	3,600,000	105
Balance as at 31 March 2014	1,183,555,813	57,772

B. Share options

As at 31 March 2014, there were 3,800,000 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 March 2013: 9,270,000).

Save as disclosed, the Company has no other outstanding convertibles and treasury shares as at 31 March 2014 and 31 March 2013.

Save for the exercise of share options under the ESOS Scheme, there was no movement in the share capital of the Company during 4Q2014.

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 Mar 2014	As at 31 Mar 2013
Total number of issued ordinary shares (excluding treasury shares)	**1,183,555,813**	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 March 2014. Neither were there any sale, transfer, disposal, cancellation and/or use of treasury shares by the Company during 4Q2014.

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 2013.

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 2013 has no 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
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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 Mar 2014 US$'000	As at 31 Mar 2013 US$'000
Net profit/(loss) attributable to shareholders	**33**	**(87)**
Earning/(loss) per share		
Basic (US cents)	**0.003**	**(0.01)**
Diluted (US cents)	**0.003**	**(0.01)**
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,179,396,002**	1,165,571,799
Effect of potentially dilutive ordinary shares – Share options[1]	**4,330,392**	12,695,537
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,183,726,394**	1,178,267,336

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 Mar 2014 US$'000	As at 31 Mar 2013 US$'000	**As at 31 Mar 2014 US$'000**	As at 31 Mar 2013 US$'000
Net asset value as at end of financial /year	**18,972**	18,785	**19,161**	19,121
Net asset value per ordinary share as at the end of financial year (US cents)	**1.60**[(1)]	1.59[(2)]	**1.62**[(1)]	1.62[(2)]

Notes:

(1) Based on 1,183,555,813 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 4Q2014 (relative to 4Q2013)</u>

Turnover

The turnover of our Group increased by 19.6% in 4Q2014 to US$4.6 million from US$3.8 million attained in 4Q2013. The increase was attributable principally to: (1) increased sales of our maritime products, particularly our new FX series range of terminals and our new Thuraya-centric narrowband products; and (2) higher design income, particularly in respect of: (i) a new design cum development 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 "iSavi Terminal"); and (ii) a design contract entered with a Singapore government agency to co-develop a space terminal. The increase in turnover had also resulted in our Group recording a revenue growth of 47.1% in FY2014 from US$10.2 million in FY2013 to US$15.0 million in FY2014.

Notwithstanding the aforesaid, the turnover of our Group for FY2014, particularly 4Q2014, could have been even better had it not for: (1) the deferment in the sales of certain relatively high yielding products, aggregating about US$770,000, from 4Q2014 to 1Q2015 (the first financial quarter of the financial year ending 31 March 2015 ("FY2015")), principally as a result of some production delays (the "Deferred Sales"); and (2) the need to re-align our sales and distribution plan for BGAN products, in particular the BGAN M2M products, with Inmarsat's restructuring initiatives for a more streamlined and focused BGAN business strategy; this has also resulted in us re-channelling our resources to develop iSavi Terminals for the new Inmarsat service, IsatHub, by end June 2014 (the "Re-Prioritised Strategy").

Profitability

Our Group registered a gross profit of US$1.4 million in 4Q2014 compared to that of US$1.5 million in 4Q2013 and at a lower gross profit margin of 31.3% in 4Q2014 relative to that of 38.3% in 4Q2013. The lower margin attained in the 4Q2014 was mainly attributable to proportionately higher sales of relatively lower yielding products in 4Q2014 relative to 4Q2013, largely as a result of the Re-Prioritised Strategy and the sales of SIM cards in complementing our product sales as we seek to forge closer partnership with air time providers in making ways for more future recurring revenue (the "Paving For Recurring Revenue Strategy"). The lower margin achieved in 4Q2014 also reduced our margin for FY2014 as a whole to 41.8% compared to that of 44.3% achieved in FY2013.

In tandem with increased business activities and in support of the Paving For Recurring Revenue Strategy, particularly in 4Q2014, we doubled our selling and distribution expenses, especially so for the making of further inroads into certain newly cultivated markets, from US$244,000 in 4Q2013 to US$492,000 in 4Q2014.

Our administrative expenses increased by 46.9% from US$399,000 in 4Q2013 to US$586,000 in 4Q2014, due mainly to higher manpower costs and increased rental costs in respect of a bigger new office premises which we moved into in 3Q2014.

Our other operating expenses increased by 60.1% from US$504,000 in 4Q2013 to US$807,000 in 4Q2014, principally as a result of: (1) increased amortisation of intangible assets following the completion of several projects in FY2013; (2) write-off of the remaining renovation costs in respect of our former office premises; (3) write-off of some slow moving inventories; and (4) higher depreciation charge following our relocation to the new office premises.

Included in our finance expenses in 4Q2013 was an amount of US$217,000 attributed to the adjustment of the Group's borrowings to its fair value.

Consequence to the above, our Group incurred a net loss after tax of US$482,000 in 4Q2014, compared to a net profit after tax of US$267,000 in 4Q2013. Despite which, on a full year basis, our Group turned around its bottom line from a net loss after tax of US$87,000 in FY2013 to a net profit after tax of US$33,000 in FY2014.

(b) Review of financial position of the Group as at 31 March 2014 (relative to that as at 31 March 2013)

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 of our wider range of products.

The decrease in our trade receivables was largely due to collections received in 4Q2014.

The higher amounts due from customers for contract work as at 31 March 2014 relative to that of 31 March 2013 was due to work done but yet to be billed in respect of several new design projects procured.

The increases in our other receivables, deposits and prepayments in 4Q2014 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 largely attributable to an advance from a shareholder.

The decrease in current borrowings, albeit additional loans procured in FY2014, was due to a reclassification of an existing loan, which had its tenure extended from 6 December 2014 to 31 March 2016, to non-current liability.

The increase in share capital was attributed to the exercise of 3,600,000 employees' share options by employees of the Group in 4Q2014 under 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) increased from 14.7% as at 31 March 2013 to that of 15.6% as at 31 March 2014;
2. the operating cash position of the Group improved from a negative of US$1.2 million in FY2013 to a positive of US$0.8 million in FY2014, albeit a net cash used in operations of US$92,000 in 4Q2014 compared to a net cash generated from operations of US$76,000 in 4Q2013.
3. its working capital position of the Group doubled to US$4.0 million as at 31 March 2014 from US$1.9 million as at 31 March 2013; and

4. the net asset value of the Group improved marginally by US$0.2 million or 1.0% from US$18.8 million as at 31 March 2013 to US$19.0 million as at 31 March 2014, with the net asset value per ordinary share enhanced from 1.59 US cents per share as at 31 March 2013 to 1.60 US cents per share as at 31 March 2014.

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

We refer to our announcement made on 14 February 2014 in respect of our financial results for the 9 months' ended 31 December 2013, wherein we maintained the expectation that our Group's performances in the second half of FY2014 ("2H2014") (including particularly 4Q2014) to be significantly better than that of the first half of FY2014 ("1H2014") and for FY2014 to significantly outperform that of FY2013.

While our Group did turn in better turnovers of US$8.2 million in 2H2014 (compared to that of US$6.8 million in 1H2014) and of US$15.0 million in FY2014 (compared to that of US$10.2 million in FY2013), we could have fetched even higher turnovers had it not for the Deferred Sales.

While we did outperform and turnaround our bottom line from a loss of US$87,000 in FY2013 to a profit of US$33,000 in FY2014, we did not outperform our results in 4Q2014 due principally to: (1) the proportionately higher sales of relatively lower yielding products, prompted largely by the Re-Prioritised Strategy and the Paving For Recurring Revenue Strategy; (2) higher selling and distribution expenses incurred in supporting the Paving For Recurring Revenue Strategy; and (3) the Deferred Sales.

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 optimistic about our prospects for the next 12 months in view of the anticipated sustaining sales of our maritime products, the anticipated growth in the sales of our land products and the imminent launch of several new products, such as the iSavi Terminals by end June 2014 and a few maritime products in the second half of FY2015

With regard to the proposed disposal by the Company of 100% of the ordinary share capital of its wholly-owned subsidiary, Addvalue Communications Pte Ltd, for a cash consideration of S$330,000,000 (the "Disposal Consideration") as announced by the Company on 25 March 2014, we would like to update that we are still awaiting for the requisite approval from the Chinese Foreign Exchange Control Bureau for the repatriation of the Disposal Consideration by the buyer (the "FECB Approval"). To date, we are not aware of any impediments to the grant of the FECB Approval.

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

Not applicable

(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 4Q2014.

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.

Not applicable

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) By geographical segments(1)

FY2014	Europe	North America	Asia	Total
	US$'000	US$'000	US$'000	US$'000
Revenue				
Total revenue from external customers	2,092	4,791	8,078	14,961
% Contribution	*14%*	*32%*	*54%*	*100%*
Segment result	1,193	724	211	2,128
Unallocated expenses				(1,876)
Other income				79
Finance expenses				(298)
Profit before tax				33
Segment assets				
By location of customers				
- Segment assets	274	800	23,756	24,830
- Unallocated assets				2,152
Total assets				26,982
By location of assets				
- Segment assets	274	826	23,730	24,830
- Unallocated assets				2,152
				26,982
Segment liabilities	524	726	6,760	8,010
Other information				
Capital expenditure				
- Plant and equipment				819

- Intangible assets	2,166
Depreciation and amortisation	1,955

FY2013	Europe	North America	Asia	Total
	US$'000	US$'000	US$'000	US$'000
Revenue				
Total revenue from external customers	1,309	5,255	3,607	10,171
% Contribution	*13%*	*52%*	*35%*	*100%*
Segment result	345	1,097	283	1,725
Unallocated expenses				(1,699)
Other income				263
Finance expenses				(514)
Loss before tax				(225)
Segment assets				
By location of customers				
- Segment assets	906	2,626	19,649	23,181
- Unallocated assets				2, 152
Total assets				25,333
By location of assets				
- Segment assets	906	2,633	19,642	23,181
- Unallocated assets				2,152
				25,333
Segment liabilities	415	433	5,700	6,548
Other information				
Capital expenditure				
- Plant and equipment				200
- Intangible assets				2,717
Depreciation and amortisation				1,354

Note:

(1) Such geographical segments represent the respective geographical segments of origin of our customers and not the destinations for the delivery of our products or the provision of our services.

(b) By revenue streams

	The Group			
	FY2014		FY2013	
	US$'000	**% Contribution**	US$'000	% Contribution
Sales of land communication products	**1,570**	**10.5**	1,567	15.4
Sales of maritime communication products	**9,811**	**65.6**	7,232	71.1
Provision of design services	**1,614**	**10.8**	422	4.1
Others (comprising mainly sales of components)	**1,966**	**13.1**	950	9.4
	14,961	**100.0**	10,171	100.0

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earning by the business or geographical segments.

By geographical segments

While North America was our dominant contributor to revenue in FY2013, Asia had replaced it as our dominant revenue contributor in FY2014. The increase in sales from Asia was attributable mainly to the procurement of more OEM orders from our key distributors as well as increased sales of our Thuraya-centric maritime products from the Asian region.

By revenue streams

While sales of maritime products continued to be the dominant contributor to our revenue for FY2014 and FY2013, revenue contribution from our design income had also improved in FY2014 from FY2013.

17. Breakdown of sales

	FY2014 US$'000	FY2013 US$'000	% change
(i) Turnover reported for:			
- First half year ended 30 September	**6,790**	4,121	64.8%
- Second half year ended 31 March	**8,171**	6,050	35.1%
	14,961	10,171	47.1%
(ii) Net profit/(loss) reported for:			
- First half year ended 30 September	**444**	(239)	N/m
- Second half year ended 31 March	**(411)**	152	N/m
	33	(87)	N/m

"N/m" denotes not meaningful.

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

Not applicable.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	**Age**	**Family relationship with any director and/or substantial shareholder**	**Current position and duties, and the year the position was held**	**Details of changes in duties and position held, if any, during the year**
Nil				

BY ORDER OF THE BOARD

Dr Colin Chan Kum Lok
Chairman & CEO

30 May 2014