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 2015 ("4Q2015" AND "FY2015" RESPECTIVELY)

PART 1 INFORMATION REQUIRED FOR ANNOUCEMENT 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

	4Q2015 US$'000	4Q2014 US$'000	% Change	**FY2015 US$'000**	FY2014 US$'000	% Change
Revenue	**3,855**	3,255	18.4	**14,725**	13,649	7.9
Cost of sales	**(3,690)**	(1,913)	92.9	**(9,895)**	(7,474)	32.4
Gross profit	**165**	1,342	(87.8)	**4,830**	6,175	(21.8)
Other operating income	**292**	101	189.1	**593**	179	231.3
Selling & distribution expenses	**(312)**	(492)	(36.6)	**(1,119)**	(1,317)	(15.0)
Administrative expenses	**(605)**	(586)	3.2	**(2,316)**	(1,912)	21.1
Other operating expenses	**(922)**	(808)	14.1	**(3,038)***	(2,781)	9.2
(Loss)/Profit from operations	**(1,382)**	(443)	212.0	**(1,050)**	344	N/m
Finance expenses	**(233)**	(93)	150.5	**(552)**	(298)	85.2
(Loss)/Profit before tax	**(1,615)**	(536)	201.3	**(1,602)**	46	N/m
Taxation	**(38)**	67	N/m	**(38)**	-	N/m
Net (loss)/profit for the period/year	**(1,653)**	(469)	252.5	**(1,640)***	46	N/m
Other comprehensive income						
Fair value (loss)/gain on available-for-sale financial assets	**(2)**	**2**	N/m	**(2)**	**2**	N/m
Exchange differences arising from translation of foreign operations	**1**	(1)	N/m	**1**	(1)	N/m
Total comprehensive (loss)/income for the period/year	**(1,654)**	(468)	253.6	**(1,641)***	47	N/m
Attributable to:						
Equity holders of the Company	**(1,654)**	(468)	253.6	**(1,641)**	47	N/m
Total comprehensive (loss)/income for the period/year	**(1,654)**	(468)	253.6	**(1,641)**	47	N/m

"4Q2014" denotes the fourth financial quarter ended 31 March 2014 in respect of the financial year ended 31 March 2014 ("FY2014").
"FY2014" denotes the financial year ended 31 March 2014.
"% Change" denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure.
"N/m" denotes not meaningful

*The net loss of US$1.6 million incurred in FY2015 was attributed mainly to the continued amortization of the intangible assets, specifically the development expenditures, of one of the wholly-owned subsidiaries of the Group, Addvalue Communications Pte Ltd ("AVC"), in FY2015, aggregating approximately US$1.7 million (the "DE Amortization"). The DE Amortization was carried out throughout FY2015, despite the pending disposal by the Company of 100% of AVC (as announced by the Company on 25 March 2014 (with ensuring status updates provided in each of the subsequent quarterly results announcements of the Group) (the "Pending Disposal")), which led the Group since then to stop actively pursuing new business activities for AVC while taking active steps to reduce the operations of AVC. Had it not for the delay in completion of the Pending Disposal initiated since the end of FY2014, AVC would have been classified as an asset-held-for-sale at the onset of FY2015, and had AVC been indeed classified as such, the expenses sustained in FY2015 pursuant to the DE Amortization would have been done away with. The consequence of relieving the DE Amortization would result in the Group registering an adjusted consolidated net profit of approximately US$0.1 million for FY2015 instead.

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

	The Group					
	4Q2015 US$'000	4Q2014 US$'000	% Change	**FY2015 US$'000**	FY2014 US$'000	% Change
Profit before tax has been arrived at after charging/(crediting):						
Depreciation and amortization	**548**	**448**	22.3	**2,141**	**1,955**	9.5
Foreign exchange loss/(gain) (net)	**(236)**	**(46)**	413.0	**(551)**	**(46)**	1,097.8
Interest expense	**120**	**93**	29.0	**438**	**298**	47.0
Plant and equipment written off	**-**	**71**	N/m	**-**	**71**	N/m
Inventories written off	**123**	**82**	50.0	**123**	**82**	50.0
Trade receivables written off	**-**	**16**	N/m	**-**	**16**	N/m

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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 2015 US$'000	As at 31 Mar 2014 US$'000	**As at 31 Mar 2015 US$'000**	As at 31 Mar 2014 US$'000
Non-current assets				
Plant and equipment	**1,046**	**1,025**	**-**	**-**
Subsidiaries	**-**	**-**	**18,328***	**14,345**
Intangible assets	**15,916**	**14,660**	**-**	**-**
Deferred tax assets	**2,152**	**2,152**	**-**	**-**
	19,114	**17,837**	**18,328**	**14,345**
Current assets				
Inventories	**3,623**	**3,878**	**-**	**-**
Amount due from customers for contract work	**128**	**870**	**-**	**-**
Trade receivables	**3,349**	**2,689**	**-**	**-**
Other receivables, deposits and prepayments	**1,466**	**1,243**	**537**	**58**
Available-for-sales financial assets	**2**	**4**	**2**	**4**
Due from subsidiaries (non-trade)	**-**	**-**	**1,136***	**5,835**
Fixed deposit	**43**	**47**	**-**	**-**
Cash and bank balances	**292**	**257**	**4**	**10**
	8,903	**8,988**	**1,679**	**5,907**
Total assets	**28,017**	**26,825**	**20,007**	**20,252**
Current liabilities				
Trade payables	**4,637**	**2,209**	**-**	**-**
Other payables and accruals	**1,562**	**1,872**	**788**	**963**
Provisions	**405**	**279**	**128**	**128**
Borrowings	**3,709**	**55**	**-**	**-**
Advances received from customers	**183**	**524**	**-**	**-**
Provision for income tax	**4**	**-**	**-**	**-**
Deferred tax liability	**34**	**-**	**-**	**-**
Due to subsidiaries (non-trade)	**-**	**-**	**139**	**-**
	10,534	**4,939**	**1,055**	**1,091**
Non-current liabilities				
Borrowings	**(33)**	**(2,901)**	-	-
Net assets	**17,450**	**18,985**	**18,952**	**19,161**
Equity attributable to the Company's equity holders				
Share capital	**57,881**	**57,772**	**57,881**	**57,772**
Capital reserve	**747**	**750**	**-**	**3**
Statutory reserve	**10**	**-**	**-**	**-**
Fair value adjustment reserve	**(101)**	**(99)**	**(101)**	**(99)**
Foreign currency translation reserve	**-**	**(1)**	**-**	**-**
Accumulated losses	**(41,087)**	**(39,437)**	**(38,828)**	**(38,515)**
Total equity	**17,450**	**18,985**	**18,952**	**19,161**

*The increase was attributed to an amount, due from a subsidiary of the Group to the Company, being capitalized in 3Q2015 so as to strengthen the share capital of the subsidiary concerned.

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

	The Group	
	As at 31 Mar 2015 US$'000	As at 31 Mar 2014 US$'000
Amount repayable in one year or less or on demand		
Secured(1)	**3,674**	17
Unsecured	**35**	38
	3,709	55
Amount repayable after one year		
Secured(1)	**33**	2,862
Unsecured	**-**	39
	33	2,901

Details of any collateral

(1) These are secured against:

- A floating charge on the inventories and trade receivables of a subsidiary of the Company
- An 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			
	4th Quarter		Year-To-Date	
	4Q2015	4Q2014	**FY2015**	FY2014
	US$'000	US$'000	**US$'000**	US$'000
OPERATING ACTIVITIES				
(Loss)/Profit before tax	**(1,615)**	(536)	**(1,602)**	46
Adjustments for:-				
Amortisation of intangible assets	**450**	429	**1,777**	1,696
Depreciation of plant and equipment	**98**	19	**364**	259
Interest expense	**120**	93	**438**	298
Interest income	**(1)**	-	**(1)**	-
Provisions	**137**	132	**512**	651
Unrealised foreign exchange gain	**(120)**	(14)	**(341)**	(35)
Plant and equipment written off	**-**	71	**-**	71
Operating (loss)/profit before changes in working capital	**(931)**	194	**1,147**	2,986
Changes in working capital				
Inventories	**1,035**	307	**255**	(558)
Trade and other receivables	**462**	1,051	**(883)**	862
Amounts due from customers for contract work	**181**	(619)	**742**	(775)
Advances received from customers	**(106)**	185	**(341)**	514
Development expenditure	**(1,097)**	(239)	**(3,033)**	(2,166)
Trade and other payables	**973**	(910)	**2,310**	234
Provisions	**(57)**	(61)	**(385)**	(702)
CASH GENERATED FROM/(USED IN) OPERATIONS	**460**	(92)	**(188)**	395
Interest income received	**-**	-	**1**	-
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**460**	(92)	**(187)**	395
INVESTING ACTIVITIES				
Purchase of plant and equipment[1]	**(103)**	(131)	**(295)**	(810)
NET CASH USED IN INVESTING ACTIVITIES	***(103)***	*(131)*	***(295)***	*(810)*
FINANCING ACTIVITIES				
Net proceeds from issue of shares	**-**	104	**106**	153
Proceeds from borrowings	**391**	67	**1,511**	677
Repayments of borrowings	**(416)**	(33)	**(471)**	(455)
Advances from/(Repayment to) a shareholder	**(239)**	-	**(239)**	397
Interest paid	**(72)**	(93)	**(390)**	(298)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	***(336)***	*45*	***517***	*474*
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**21**	(178)	**35**	59
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	**271**	435	**257**	198
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR[2]	**292**	257	**292**	257

Notes:

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

	FY2015	FY2014
	US$'000	*US$'000*
Plant and equipment purchased during the year	***385***	*819*
Less: Financed by finance lease obligations, net	***(90)***	*(9)*
Cash payment to acquire plant and equipment	***295***	*810*

(2) Cash and cash equivalent as at 31 March 2015 consist of the following:

	FY2015	FY2014
	US$'000	*US$'000*
Cash and bank balances	***292***	*257*
Fixed deposits	***43***	*47*
	335	*304*
Less: Fixed deposits pledged to bank	***43***	*(47)*
Cash and cash equivalents	***292***	*257*

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	Statutory reserve	Fair value adjustment reserve	Foreign currency translation reserve	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 April 2014	57,772	(39,437)	750	-	(99)	(1)	18,985
Issuance of new shares pursuant to exercise of share options under the ESOS Scheme (as defined below) - net of share issue expenses	109	-	(3)	-	-	-	106
Loss for the year	-	(1,640)	-	-	-	-	(1,640)
Other comprehensive income/(loss)	-	-	-	-	(2)	1	(1)
Transfer to statutory reserve fund	-	(10)	-	10	-	-	-
Balance as at 31 March 2015	57,881	(41,087)	747	10	(101)	-	17,450

	The Group						
	Share capital	Accumulated losses	Capital reserves	Statutory reserve	Fair value adjustment reserve	Foreign Currency translation reserve	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
Profit for the year	-	46	-	-	-	-	46
Other comprehensive income/(loss)	-	-	-	-	2	(1)	1
Balance as at 31 March 2014	57,772	(39,437)	750	-	(99)	(1)	18,985

	Share capital	Accumulated losses	Capital reserves	Fair value adjustment reserve	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 April 2014	57,772	(38,515)	3	(99)	19,161
Issuance of new shares pursuant to exercise of share options under the ESOS Scheme (as defined below) – net of share issue expenses	109	-	(3)	-	106
Loss for the year	-	(313)	-	-	(313)
Other comprehensive loss	-	-	-	(2)	(2)
Balance as at 31 March 2015	57,881	(38,828)	-	(101)	18,952

	Share capital	Accumulated losses	Capital reserves	Fair value adjustment reserve	Total
	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
Loss for the year	-	(115)	-	-	(115)
Other comprehensive income	-	-	-	2	2
Balance as at 31 March 2014	57,772	(38,515)	3	(99)	19,161

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 2015 and 31 March 2015	1,187,355,813	57,881

B. Share options

As at 31 March 2015, there were no outstanding shares options, issued pursuant to the Addvalue Technologies Ltd's 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 2014: 3,800,000). The ESOS Scheme were expired on 21 June 2014.

Save as disclosed, the Company has no other outstanding convertibles and treasury shares as at 31 March 2015 and 31 March 2014.

There was no movement in the share capital of the Company during 4Q2015.

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 2015	As at 31 Mar 2014
Total number of issued ordinary shares (excluding treasury shares)	**1,187,355,813**	1,183,555,813

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 2015. Neither were there any sale, transfer, disposal, cancellation and/or use of treasury shares by the Company during 4Q2015.

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 2014.

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 2014 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 Mar 2015 US$'000	As at 31 Mar 2014 US$'000
Net (loss)/profit attributable to shareholders	**(1,640)**	46
(Loss)/ Earnings per share		
Basic (US cents)	**(0.138)**	0.004
Diluted (US cents)	**(0.138)**	0.004
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,186,563,484**	1,179,396,002
Effect of potentially dilutive ordinary shares – Share options[1]	**-**	2,072,727
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,186,563,484**	1,181,468,729

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). The ESOS Scheme were expired on 21 June 2014.

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 2015 US$'000	As at 31 Mar 2014 US$'000	**As at 31 Mar 2015 US$'000**	As at 31 Mar 2014 US$'000
Net asset value as at end of financial period/year	**17,450**	18,985	**18,952**	19,161
Net asset value per ordinary share as at the end of financial period/year (US cents)	**1.47[(1)]**	1.60[(2)]	**1.60[(1)]**	1.62[(2)]

Notes:

(1) Based on 1,187,355,813 issued shares.

(2) Based on 1,183,555,813 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 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, 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 4Q2015 (relative to 4Q2014)</u>

Turnover

The turnover of our Group increased by US$0.6 million or 18.4% to US$3.9 million in 4Q2015 from US$3.3 million in 4Q2014 and by US$1.1 million or 7.9% to US$14.7 million in FY2015 from US$13.6 million in FY2014. The increases were attributable to both product sales, particularly land products, and design contracts.

Profitability

Our Group registered a gross profit of US$0.2 million against a gross profit margin of 4.3% in 4Q2015 compared to a gross profit of US$1.3 million against a gross profit margin of 41.2% in 4Q2014. The decreased gross profit and gross profit margin were attributed mainly to the following causes encountered in 4Q2015:

1. product sale mixes at comparatively lower margins;
2. one-off product-price variance adjustments due to premium purchase of materials in meeting tight delivery schedules;
3. start-up production costs and additional non-recurring factory production costs incurred, due to teething issues, in bringing three new products to market; and
4. design income being recognized in respect of a relatively low yielding government funded development project, which, if successfully completed, is expected to generate attractive returns upon commercialization.

Chiefly due to the results in 4Q2015, on a full year basis, our Group recorded a gross profit of US$4.8 million against a gross profit margin of 32.8% in FY2015 compared to a gross profit of US$6.2 million against a gross profit margin of 45.2% in FY2014. Had it not for the one-off product-price variance adjustments and the teething issues faced in the launch of three new products in 4Q2015, the gross profit margin of the Group for 4Q2015 and FY2015 would have been about 29% and 35% respectively, which though still lagged behind the gross profit margins attained in the corresponding periods of FY2014 as the margins then were skewed by product sale mixes at comparatively higher margins, these muted adjusted gross profit margins are expected to boost and make up in sales through greater volumes moving forward (as further elaborated in paragraph 10 below).

The other operating income for 4Q2015 relates mainly to an unrealized foreign exchange gain on our S$ borrowings as a result of strengthened US$ against S$.

Our administrative expenses increased by 3.2% from US$586,000 in 4Q2014 to US$605,000 in 4Q2015, due mainly to increased manpower and rental costs.

Our selling and distribution expenses decreased by 36.6% due to lower distribution costs incurred.

Our other operating expenses increased by 14.1% from US$0.8 million in 4Q2014 to US$0.9 million in 4Q2015, due mainly to increased amortisation, lab expenses and office equipment maintenance.

Our finance expenses increased by US$140,000 or 150% to US$233,000 in 4Q2015 from US$93,000 in 4Q2014, chiefly as a result of increased borrowings.

Consequence to the above, our Group recorded a net loss after tax of US$1.6 million both in 4Q2015 and FY2015 compared to a net loss of US$0.5 million in 4Q2014 and a net profit of US$46,000 in FY2014.

Had it not for the delay in completion of the Pending Disposal of AVC initiated since the end of FY2014, AVC would have been classified as an asset-held-for-sale at the onset of FY2015, and had AVC been indeed classified as such, the expenses sustained in FY2015 pursuant to the DE Amortization (being the continued amortization of the intangible assets, specifically the development expenditures, of AVC in FY2015, aggregating approximately US$1.7 million) would have been done away with. The consequence of relieving the DE Amortization would result in the Group registering an adjusted consolidated net profit of approximately US$0.1 million for FY2015 instead.

(b) Review of financial position of the Group as at 31 March 2015 (relative to that as at 31 March 2014)

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 decrease in our inventories was mainly attributed to the write-off of certain slow moving stocks.

The increase in our trade receivables was in line with our business activities. As at the date of this announcement, we had received payments aggregating US$1.4 million, thereby reducing the trade receivables of US$3.3 million as at 31 March 2015 to US$1.9 million.

The lower amount due from customers for contract work done as at 31 March 2015 relative to that of 31 March 2014 was due to billings made in respect of certain design services.

The increases in our other receivables, deposits and prepayments were due mainly to prepayments made to suppliers for goods as well as services to be provided.

The increases in our trade payables as well as provisions were in line with business activities.

The decrease in other payables and accruals were due to payments made.

The decrease in advances received from customers were due to the shipment of products ordered from these customers.

The increase in current borrowing was attributed mainly to a reclassification of borrowing of US$3.6 million due beyond one year to within one year, which principally resulted in the Group registering a net current liabilities position as at 31 March 2015. Upon the retirement of the said borrowing, a positive working capital position would ensure.

The provision for income tax and deferred tax liability as well as the statutory reserve was due to the profits attained by our subsidiary company in China.

The increase in share capital was attributed to the exercise of 3,800,000 employees' share options by the employees of the Group 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) increased from 15.6% as at 31 March 2014 to 21.4% as at 31 March 2015;

2. the working capital position of the Group reversed from a positive US$4.0 million as at 31 March 2014 to a negative US$1.6 million as at 31 March 2015; and

3. the operating cashflow position of the Group reversed from a net cash generated from operations of US$395,000 in FY2014 to a net cash used in operations of US$188,000 in FY2015.

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

Barring any unforeseen circumstances and further deterioration of the prevailing anaemic global economy, we are cautiously optimistic about our performance for the next 12 months as we expect:

1. new higher volume sales, albeit at competitive margins, to be tapped from burgeoning opportunities expected to be generated by our recent conscious efforts in rolling out new range of products, which targets new mass markets associated with smartphone and tablet applications as well as internet-of-things instead of the traditional mobile satellite communication niche markets; and
2. steady sales to be generated from the potentially huge small vessel markets, encompassing but not limited to the fishing industries, in Asia as we continue to make significant inroads for mass deployment of our narrowband satellite terminals in these markets.

The Pending Disposal is progressing steadfastly, albeit delays. The buyer for the Pending Disposal had in early May 2015, in response to the Company's quest for assurance of its commitment to the deal, affirmed that, while it remains committed, it would need to know, prior to divulging any details, whether the Company is agreeable to the possible revision of certain terms of the Pending Disposal, which is believed to help it overcome certain delay-causing-hurdles and hence expedite matters. Against the Company's response that it awaits the buyer's proposed revised terms for negotiation, the buyer has indicated that it will revert with the specifics in June 2015. Appropriate announcement will be made by the Company once it is notified by the buyer of the same.

As the completion of the Pending Disposal is still subject to the fulfillment of many precedent conditions, there can be no assurance of its completion or, if it were to be eventually completed, as to the length of time required to do so. Hence, Shareholders are advised to exercise caution when dealing in the securities of the Company and refrain from taking any action in relation to their securities which may be prejudicial to their interests.

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 4Q2015.

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]

FY2015	**Europe** US$'000	**North America** US$'000	**Asia** US$'000	**Total** US$'000
Revenue				
Total revenue from external customers	1,358	2,226	11,141	14,725
% Contribution	*9%*	*15%*	*76%*	*100%*
Segment result	224	79	525	828
Unallocated expenses				(2,471)
Other income				593
Finance expenses				(552)
Loss before tax				(1,602)

Segment assets

By location of assets				
- Segment assets	503	934	24,428	25,865
- Unallocated assets				2,152
Total assets				28,017
Segment liabilities	478	145	9,944	10,567
Other information				
Capital expenditure				
- Plant and equipment				385
- Intangible assets				3,033
Depreciation and amortisation				2,141

FY2014	**Europe US$'000**	**North America US$'000**	**Asia US$'000**	**Total US$'000**
Revenue				
Total revenue from external customers	2,155	4,791	6,703	13,649
% Contribution	*16%*	*35%*	*49%*	*100%*
Segment result	378	665	1,200	2,243
Unallocated expenses				(2,078)
Other income				179
Finance expenses				(298)
Profit before tax				46
Segment assets				
- Segment assets	960	800	22,913	24,673
- Unallocated assets				2,152
Total assets				26,825
Segment liabilities	522	726	6,592	7,840
Other information				
Capital expenditure				
- Plant and equipment				819
- Intangible assets				2,166
Depreciation and amortisation				1,955

Note:

(1) The 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			
	FY2015		FY2014	
	US$'000	**% Contribution**	US$'000	% Contribution
Sales of land communication products	**3,934**	**26.7**	1,570	11.5
Sales of maritime communication products	**6,503**	**44.2**	9,811	71.9
Provision of design services	**2,222**	**15.1**	1,526	11.2
Others (comprising mainly sales of components)	**2,066**	**14.0**	742	5.4
	14,725	**100.0**	13,649	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

Asia, the prevailing dominant contributor to our revenue, further widened its revenue contribution from 49% in FY2014 to 76% in FY2015.

By revenue streams

While sales of maritime products continued to be the dominant contributor to our revenue for FY2015 and FY2014, revenue contribution from both our land products and design income had also improved in FY2015 relative to FY2014.

17. Breakdown of sales

	FY2015	FY2014	% change
	US$'000	US$'000	
(i) Turnover reported for:			
- First half year ended 30 September	**6,546**	6,790	(3.6%)
- Second half year ended 31 March	**8,179**	6,859	19.2%
	14,725	13,649	7.9%
(ii) Net (loss)/profit reported for:			
- First half year ended 30 September	**(250)**	444	N/m
- Second half year ended 31 March	**(1,390)**	(398)	N/m
	(1,640)	46	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 2015