ADDVALUE TECHNOLOGIES LTD
Company Registration No. 199603037H

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND FINANCIAL QUARTER AND THE FIRST HALF YEAR ENDED 30 SEPTEMBER 2012 ("2Q2013" AND "1H2013" RESPECTIVELY) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 MARCH 2013 ("FY2013")

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					
	2Q2013 US$'000	2Q2012 US$'000	% Change	**1H2013 US$'000**	1H2012 US$'000	% Change
Revenue	**1,551**	2,846	(45.5)	**4,121**	5,616	(26.6)
Cost of sales	**(858)**	(1,464)	(41.4)	**(2,142)**	(2,743)	(21.9)
Gross profit	**693**	1,382	(49.9)	**1,979**	2,873	(31.1)
Other operating income	**131**	152	(13.8)	**161**	62	159.7
Selling & Distribution expenses	**(194)**	(199)	(2.5)	**(420)**	(486)	(13.6)
Administrative expenses	**(404)**	(570)	(29.1)	**(719)**	(826)	(12.9)
Other operating expenses	**(577)**	(431)	33.9	**(1,096)**	(921)	19.0
Profit from operations	**(351)**	334	N/m	**(95)**	702	N/m
Finance expenses	**(75)**	(94)	(20.2)	**(144)**	(194)	(25.8)
Profit before tax	**(426)**	240	N/m	**(239)**	508	N/m
Taxation	**30**	(30)	N/m	**-**	(91)	100.0
Net profit for the period	**(396)**	210	N/m	**(239)**	417	N/m
Other comprehensive income	**-**	-	-	**-**	-	-
Total comprehensive income for the period	**(396)**	210	N/m	**(239)**	417	N/m
Attributable to:						
Equity holders of the Company	**(396)**	210	N/m	**(239)**	**417**	N/m
Total comprehensive income for the period	**(396)**	210	N/m	**(239)**	**417**	N/m

"2Q2012" denotes the second financial quarter ended 30 September 2011 in respect of the financial year ended 31 March 2012 ("FY2012").

"1H2012" denotes the first half financial period ended 30 September 2011 in respect of FY2012.

"% 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					
	2Q2013 US$'000	2Q2012 US$'000	% Change	**1H2013 US$'000**	1H2012 US$'000	% Change
Profit before tax has been arrived at after charging/(crediting):						
Depreciation and amortization	**335**	322	4.0	**682**	632	7.9
Foreign exchange loss/(gain) (net)	**137**	(121)	N/m	**107**	(18)	N/m
Interest expense	**75**	94	(20.2)	**144**	194	(25.8)

"% Change" denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure.

"N/m" denotes not meaningful.

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 30 Sept 2012 US$'000	As at 31 Mar 2012 US$'000	**As at 30 Sept 2012 US$'000**	As at 31 Mar 2012 US$'000
Non-current assets				
Property, plant and equipment	**526**	581	**-**	-
Subsidiaries	**-**	-	**14,345**	14,345
Intangible assets	**13,424**	12,581	**-**	-
Staff loan receivable	**-**	54	**-**	-
Deferred tax assets	**2,014**	2,014	**-**	-
	15,964	15,230	**14,345**	14,345
Current assets				
Inventories	**2,710**	2,196	**-**	-
Amount due from customers for contract work	**-**	647	**-**	-
Trade receivables	**3,279**	3,334	**-**	-
Other receivables, deposits and prepayments	**1,134**	836	**-**	4
Available-for-sales financial asset	**6**	6	**6**	6
Due from subsidiaries (non-trade)	**-**	-	**5,196**	3,890
Cash and cash equivalents	**412**	374	**4**	7
	7,541	7,393	**5,206**	3,907
Total assets	**23,505**	22,623	**19,551**	18,252
Current liabilities				
Trade payables	**957**	1,333	**-**	-
Other payables and accruals	**1,228**	1,236	**517**	355
Provisions	**175**	242	**64**	128
Borrowings	**469**	162	**-**	-
Advance receipts	**6**	56	**-**	-
Due to subsidiaries (non-trade)	**-**	-	**91**	106
	2,835	3,029	**672**	589
Net current assets	**4,706**	4,364	**4,534**	3,318
Non-current liabilities				
Non-current borrowings	**(2, 235)**	(2,201)	-	-
Net assets	**18,435**	17,393	**18,879**	17,663
Equity attributable to the Company's equity holders				
Share capital	**57,346**	56,065	**57,346**	56,065
Capital reserve	**877**	877	**130**	130
Fair value adjustment reserve	**(97)**	(97)	**(97)**	(97)
Accumulated losses	**(39,691)**	(39,452)	**(38,500)**	(38,435)
Total equity	**18,435**	17,393	**18,879**	17,663

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

	The Group	
	As at 30 Sept 2012 US$'000	As at 31 Mar 2012 US$'000
Amount repayable in one year or less or on demand		
Secured(1)	**446**	36
Unsecured	**23**	126
	469	162
Amount repayable after one year		
Secured(1)	**2,235**	2,201
Unsecured	**-**	-
	2,235	2,201

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	
	2Q2013	2Q2012
	US$'000	US$'000
OPERATING ACTIVITIES		
(Loss)/Profit before tax	**(426)**	240
Adjustments for:		
Amortisation of intangible assets	**274**	238
Depreciation of plant and equipment	**61**	84
Interest expense	**75**	94
Provision	**107**	-
Operating profit before changes in working capital	**91**	656
Changes in working capital		
Inventories	**(365)**	(205)
Trade and other receivables	**1,317**	238
Amount due from customers for contract work	**397**	258
Trade and other payables	**(351)**	373
Development expenditure	**(679)**	(728)
Advances received from customers	**-**	(12)
NET CASH GENERATED FROM OPERATING ACTIVITIES	***410***	*580*
INVESTING ACTIVITIES		
Purchase of plant and equipment	**(11)**	(32)
Purchase of computer software	**(13)**	-
Repayment from staff	**40**	-
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	***16***	*(32)*
FINANCING ACTIVITIES		
Repayment of borrowings-net	**(306)**	(419)
Proceeds from issue of shares (net of issue expenses)	**140**	274
Interest paid	**(75)**	(94)
NET CASH USED IN FINANCING ACTIVITIES	***(240)***	*(239)*
NET INCREASE IN CASH AND CASH EQUIVALENTS	**185**	309
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	**227**	1,257
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	**412**	1,566

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 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	1,281	-	-	-	-	-	1,281
Comprehensive loss for the financial period	-	(239)	-	-	-	-	(239)
Balance as at 30 September 2012	57,346	(39,691)	877	(97)	-	-	18,435

	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 2011 (Re-presented)	40,488	(28,545)	99	(90)	1,463	N/M	13,415
Effect of change in functional currency	12,406	(10,944)	11	(10)	(1,463)	-	-
Balance restated as at 1 April 2011	52,894	(39,489)	110	(100)	-	-	13,415
Issuance of new shares:							
- Pursuant to the placement carried out in June 2012 – net of share issue expenses	2,778	-	-	-	-	-	2,778
- Pursuant to exercise of share options under the ESOS Scheme (as defined hereafter) – net of share issue expenses	578	-	-	-	-	-	578
Share options expenses	-	-	20	-	-	-	20
Comprehensive profit for the financial period	-	417	-	-	-	-	417
Balance as at 30 September 2011 (Re-presented)	56,250	(39,072)	130	(100)	-	N/M	17.208

"N/M" denotes not material, being less than US$500

	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	1,281	-	-	-	-	1,281
Comprehensive loss for the financial period	-	(65)	-	-	-	(65)
Balance as at 30 September 2012	57,346	(38,500)	130	(97)	-	18,879

	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 2011 (Re-presented)	39,741	(29,895)	99	(90)	1,667	11,522
Effect of change in functional currency	12,406	(10,740)	11	(10)	(1,667)	-
Balance restated as at 1 April 2011	52,147	(40,635)	110	(100)	-	11,522
Issuance of new shares :						
- Pursuant to the placement carried out in June 2012 – net of share issue expenses	2,778	-	-	-	-	2,778
- Pursuant to exercise of share options under the ESOS Scheme (as defined hereafter) – net of share issue expenses	578	-	-	-	-	578
Share options expenses	-	-	20	-	-	20
Comprehensive loss for the financial period	-	(45)	-	-	-	(45)
Balance as at 30 September 2011(Re-presented)	55,503	(40,680)	130	(100)	-	14,853

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 July 2012	1,165,865,813	57,206
Issuance of new ordinary shares pursuant to the exercise of share options granted under the ESOS Scheme (as defined hereafter)	5,050,000	140
Balance as at 30 September 2012	1,170,915,813	57,346

B. Share options

As at 30 September 2012, there were 16,440,000 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 (30 September 2011: 83,810,000).

Save as disclosed, the Company has no other outstanding convertibles and treasury shares as at 30 September 2012 and 30 September 2011.

Save for the exercise of share options under the ESOS Scheme, there was no movement in the share capital of the Company during 2Q2013.

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 30 Sep 2012	As at 31 Mar 2012
Total number of issued ordinary shares (excluding treasury shares)	**1,170,915,813**	1,124,915,813

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 30 September 2012. Neither were there any sale, transfer, disposal, cancellation and/or use of treasury shares by the Company during 2Q2013.

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 2012.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has had adopted the following new and revised FRS (relevant to its operations), which took effect from the financial year beginning on or after 1 April 2012 (the "New and Revised FRS"):

a. Amendments to FRS 107 Disclosures- Transfer of Financial Assets

b. Amendments to FRS 101 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
c. Amendments to FRS 12 Deferred Tax – Recovery of Underlying Assets

The initial adoption of the New and Revised FRS (and their consequential amendments) is not expected to have any material impact on the Group's financial performance and position for 2Q2013.

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 30 Sept 2012 US$'000	As at 30 Sept 2011 US$'000
Net (loss)/profit attributable to shareholders	**(239)**	417
(Loss)/Earning per share		
Basic (US cents)	**(0.02)**	0.04
Diluted (US cents)	**(0.02)**	0.04
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,156,798,573**	1,056,593,191
Effect of potentially dilutive ordinary shares – Share options[1]	**13,293,273**	22,890,794
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,170,091,846**	1,079,483,985

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 30 Sept 2012 US$'000	As at 31 Mar 2012 US$'000	**As at 30 Sept 2012 US$'000**	As at 31 Mar 2012 US$'000
Net asset value as at end of financial period/year	**18,435**	17,393	**18,879**	17,663
Net asset value per ordinary share as at the end of financial period/year (US cents)	**1.57[1]**	1.55[2]	**1.61[1]**	1.57[2]

Notes:

(1) Based on 1,170,915,813 issued shares.
(2) Based on 1,124,915,813 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, Stratos, Vizada, Satlink and Globe Wireless.

Through the recent years of progressive business transformation, Addvalue has emerged to be a leading global developer and manufacturer 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.

(a) <u>Review of financial performance of the Group for 2Q2013 (relative to 2Q2012)</u>

Turnover

Our Group recorded a lower turnover of US$1.6 million in 2Q2013 *vis-à-vis* that of US$2.8 million in 2Q2012 chiefly as a result of the following:

1. Termination of the collaboration arrangement forged by Addvalue with Sea Tel, Inc ("Sea Tel") (the "Sea Tel Collaboration") (the "Termination"). Pursuant to the Sea Tel Collaboration (as announced by the Company on 10 November 2011), Addvalue's range of FX150, FX 250 and FX 500 Fleetbroadband products was originally designed for and is to be marketed as Sea Tel's FX line of FleetBroadband products. While the FX range of FleetBroadband products developed by Addvalue has met the full Inmarsat Type Approval standards as well as Sea Tel's stringent requirements, the recent corporate streamlining of Cobham PLC ("Cobham"), the parent of Sea Tel, following Cobham's acquisition of Thrane & Thrane ("T&T"), a competitor of Addvalue, has had resulted in the amicable Termination on the mutual belief between Sea Tel and Addvalue that it is in both their common long-term interests to do so and, among other things, have the ownership of the FX range of FleetBroadband products transferred from Sea Tel to Addvalue together with the use of the "FX" model as part of Addvalue's product offerings thereafter (the "Exclusivity Relinquishment") and have the commitment orders by Sea Tel, scheduled for delivery in 2Q2013 and thereafter, cancelled; and
2. Deferment of maritime product sales for SF2500 attributed primarily to the delay in the commercial launch of these terminals in certain East Asia countries by the distributors in these countries (the "Deferred Sales").

Profitability

Consequence to the lower turnover, our Group registered a lower gross profit of US$0.7 million in 2Q2013 compared to that of US$1.4 million in 2Q2012. Due mainly to the sales of lower yielding products in 2Q2013 relative to 2Q2012, a lower gross profit margin of about 44.7% (relative to 2Q2012's 48.6%) was also attained by the Group in 2Q2013. On a half-yearly basis, the Group attained a gross profit margin of 48.0% in 1H2013 compared to that of 51.2% in 1H2012.

The other operating income for 2Q2013 was attributed to compensation by Sea Tel to the Group in connection with the Termination in respect of materials having already been purchased by the Group. On the other hand, the other operating income for 2Q2012 was attributed mainly to:

1. a government grant received in connection with our collaboration with Agency for Science, Technology and Research (A*Star) Institute for Infocomm Research (I^2R) and SP PowerGrid (a member of Singapore Power Group) for the project, entitled "Cyber Security and Secure Intelligent Electronics Devices for EV Ecosystem in Smart Grid", which looks at securing the grid network with the development of a universal application-independent security blueprint to enable grid integrated applications such as electric vehicle charging infrastructure (as announced by the Group on 17 October 2010); and
2. an unrealised foreign exchange translation gain due to the strengthened US$ *vis-à-vis* S$ as at 30 September 2011 compared to that as at 30 June 2011.

In line with business activities, we registered reduced selling and distribution expenses for the periods under comparison.

Our administrative expenses decreased by US$166,000 or 29.1%, from US$570,000 in 2Q2012 to US$404,000 in 2Q2013. The greater expenses incurred in 2Q2012 was attributed mainly to an one-off long service award handed out in August 2011 to a sizable pool of loyal staff and higher professional fees incurred in 2Q2012.

Our other operating expenses increased by US$146,000 or 33.9%, from US$431,000 in 2Q2012 to US$577,000 in 2Q2013. This increase was due mainly to:

1. an unrealised translation exchange loss attributed to our S$ denominated borrowings;
2. increased amortisation on development expenditures following the commercialisation of our land mobile terminals since 3Q2012; and
3. higher lab expenses,

which collectively were partially offset by reduced depreciation charge due to certain assets having been fully depreciated.

Our finance expenses decreased by US$19,000 or 20.2%, from US$94,000 in 2Q2012 to US$75,000 in 2Q2013, due to decreased borrowings.

After adjusting for the over provision in tax of US$30,000 made in 1Q2013, the Group recorded net losses after tax of US$239,000 in 2Q2013 (compared to a net profit of US$210,000 achieved in 2Q2012) and US$239,000 in 1H2013 (compared to a net profit of US$417,000 achieved in 1H2012).

(b) Review of financial position of the Group as at 30 September 2012 (relative to that as at 31 March 2012)

The decrease in our property, plant and equipment was in line with the continued straight line depreciation policy of the Group.

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 staff loan receivable was substantially settled in 2Q2013 following the resignation of the staff concerned, with the balance to be settled in 3Q2013.

The increase in our inventories was mainly attributed to increased finished goods and raw materials purchased for a wider range of products.

The decrease in our trade receivables was attributed mainly to lower sales of products in 2Q2013. As at the date of this announcement, the Group had received payments aggregating US$1.2 million and thereby reducing the trade receivables of US$3.3 million as at 30 September 2012 to US$2.1 million.

Following the completion of the design projects and the last of the progress billings made in 2Q2013, the residual amount due from customers for contract work done was totally reversed to the income statement.

The increase in our other receivables, deposits and prepayments in 2Q2013 were due mainly to prepayments to suppliers for goods as well as services to be provided.

The decreases in our trade payables, provisions and other payables and accruals were mainly attributed to the respective payments made while the decrease in our advance receipts was mainly resulted from the continued shipment of products ordered by the customers concerned.

The increase in borrowings was largely to support increased production needs.

The increase in share capital of US$140,000 was attributed to the exercise of 5,050,000 employees' share options by 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 13.6% as at 31 March 2012 to 14.7% as at 30 September 2012;
2. the working capital position of the Group improved from US$4.4 million as at 31 March 2012 to US$4.7 million as at 30 September 2012
3. notwithstanding the net loss incurred in 2Q2013, a net cash from operating activities was continued to be generated by the Group;
4. the net tangible assets of the Group improved from US$4.8 million as at 31 March 2012 to US$5.0 million as at 30 September 2012; and
5. the net asset value of the Group improved by US$1.0 million or 6.0% from US$17.4 million as at 31 March 2012 to US$18.4 million as at 30 September 2012, with the net asset value per ordinary share enhanced from 1.55 US cents per share as at 31 March 2012 to 1.57 US cents per share as at 30 September 2012.

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, the Group expects to turn in a better performance for 2H2013, particularly towards 4Q2014, compared to 1H2013 in view of the following considerations:

1. The recent acquisition of T&T by Cobham and hence a consolidation of the satellite communication industry, coupled with the FX range of FleetBroadband products added to Addvalue's repertoire of product offerings pursuant to the Exclusivity Relinquishment, are believed to add impetus in enhancing Addvalue's standing in the market place as a favored partner/customer by the industry players at large. As the FX line of FleetBroadband products allows end users to enjoy the Ku-band and L-band hybrid services for today's maritime needs and later on Global Xpress and L band hybrid solutions, we expect to see a build-up of sales for this FX range of FleetBroadband products under our Wideye™ brand to our distributors in the next few months. Apart from enhancing our product offerings, this new range of products also paves the way for the Group to tap the sizable market full of potential customers who are interested in selling this FX range of FleetBroadband products under their own private labels. Currently, we are at an advanced stage of finalizing such a contract with a new customer and expect the contract to be concluded in 3Q2013.
2. The upbeat effects of the new flexible airtime pricing by Inmarsat, highly favored by small vessels, coupled with the inclusion of fax capability in our Skipper™ products are beginning to see an accelerated pick-up in demand for these products in 2H2013. Currently, we have committed orders aggregating about US$2.1 million for our Skipper™ products, and, barring unforeseen circumstances, expect a significant portion of which to be realized in 2H2013.
3. Apart from the abovementioned committed order for our Skipper™ products, we also have a repeat order of US$1.2 million from one of our existing customers and, barring unforeseen circumstance, expect a significant portion of which to be delivered in 2H2013.
4. The promotional efforts by Thuraya and Addvalue to market the low cost maritime terminal, SF2500, in Asia are beginning to bear fruits, and, barring unforeseen circumstance, we envisage increase in demand for these products in the coming months. In addition, against the imminent anticipated commercial launch of SF2500, the Deferred Sales are expected to be realized in 2H2013.

Separately, we are stepping up our efforts to monetize our intellectual properties with a view to enhance the shareholders' value of the Company.

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

11. If a decision regarding dividend has been made:

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

No.

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

(ii) Previous corresponding period: Nil cents

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for 2Q2013.

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

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

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

To the best of our knowledge and belief, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the three-month ended 30 September 2012 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

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

12 November 2012