

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD FINANCIAL QUARTER AND THE NINE-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2015 (“3Q2016” AND “9M2016” RESPECTIVELY) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 MARCH 2016 (“FY2016”)**

**PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF THE FIRST QUARTER 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**

	<b>3Q2016</b>	3Q2015	%	<b>9M2016</b>	9M2015	%
	<b>US\$'000</b>	US\$'000	Change	<b>US\$'000</b>	US\$'000	Change
<b>Revenue</b>	<b>2,099</b>	4,324	(51.5)	<b>5,615</b>	10,870	(48.3)
Cost of sales	<b>(1,344)</b>	(2,773)	(51.5)	<b>(3,412)</b>	(6,205)	(45.0)
<b>Gross profit</b>	<b>755</b>	1,551	(51.3)	<b>2,203</b>	4,665	(52.8)
Other operating income	<b>29</b>	250	(88.4)	<b>335</b>	301	11.3
Selling & Distribution expenses	<b>(201)</b>	(279)	(28.0)	<b>(662)</b>	(807)	(18.0)
Administrative expenses	<b>(585)</b>	(486)	20.4	<b>(1,960)</b>	(1,710)	14.6
Other operating expenses	<b>(828)</b>	(659)	25.6	<b>(2,319)</b>	(2,116)	9.6
<b>Profit/(loss) from operations</b>	<b>(830)</b>	377	N/m	<b>(2,403)</b>	333	N/m
Finance expenses	<b>(230)</b>	(113)	103.5	<b>(595)</b>	(319)	86.5
<b>Profit/(loss) before tax</b>	<b>(1,060)</b>	264	N/m	<b>(2,998)</b>	14	N/m
Taxation	<b>2</b>	-	N/m	<b>2</b>	-	N/m
<b>Net profit/(loss) for the period</b>	<b>(1,058)</b>	264	N/m	<b>(2,996)</b>	14	N/m
Other comprehensive income- Exchange differences arising from translation of foreign operations	<b>15</b>	(83)	N/m	<b>(9)</b>	(15)	(40.0)
<b>Total comprehensive income/(loss) for the period</b>	<b>(1,043)</b>	181	N/m	<b>(3,005)</b>	(1)	N/m
<b>Attributable to:</b>						
Equity holders of the Company	<b>(1,043)</b>	181	N/m	<b>(3,005)</b>	(1)	N/m
<b>Total comprehensive income for the period</b>	<b>(1,043)</b>	181	N/m	<b>(3,005)</b>	(1)	N/m

“3Q2015” denotes the second financial quarter ended 31 December 2014 in respect of the financial year ended 31 March 2015 (“FY2015”).

“9M2015” denotes the nine-month financial period ended 31 December 2014 in respect of FY2015.

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

“N/m” denotes not meaningful

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

	<b>The Group</b>					
	<b>3Q2016</b>	3Q2015	%	<b>9M2016</b>	9M2015	%
	<b>US\$'000</b>	US\$'000	Change	<b>US\$'000</b>	US\$'000	Change
Profit before tax has been arrived at after charging/(crediting):						
Depreciation and amortization	<b>615</b>	539	14.1	<b>1,767</b>	1,592	11.0
Foreign exchange loss/(gain) (net)	<b>18</b>	(236)	N/m	<b>(281)</b>	(286)	(1.7)
Interest expense	<b>186</b>	113	64.6	<b>488</b>	319	53.0

**1.(b)(i) A statement of financial position (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year**

	The Group		The Company	
	As at 31 Dec 2015 US\$'000	As at 31 Mar 2015 US\$'000	As at 31 Dec 2015 US\$'000	As at 31 Mar 2015 US\$'000
<b>Non-current assets</b>				
Plant and equipment	967	1,046	-	-
Subsidiaries	-	-	5,228	5,228
Intangible assets	13,452	12,716	-	-
Deferred tax assets	1,202	1,202	-	-
	<b>15,621</b>	14,964	<b>5,228</b>	5,228
<b>Current assets</b>				
Inventories	4,351	3,516	-	-
Amount due from customers for contract work	74	128	-	-
Trade receivables	1,027	3,050	-	-
Other receivables, deposits and prepayments	1,718	1,269	568	537
Available-for-sales financial assets	2	2	2	2
Due from subsidiaries (non-trade)	-	-	4,141	1,136
Fixed deposit	43	43	-	-
Cash and bank balances	104	293	1	4
	<b>7,319</b>	8,301	<b>4,712</b>	1,679
<b>Total assets</b>	<b>22,940</b>	23,265	<b>9,940</b>	6,907
<b>Current liabilities</b>				
Trade payables	3,457	4,333	-	-
Other payables and accruals	2,683	1,540	1,889	788
Provisions	401	405	88	128
Borrowings	5,656	3,709	2,051	-
Advances received from customers	653	211	-	-
Deferred income	47	22	-	-
Due to a subsidiary (non-trade)	-	-	-	139
Provision for income tax	4	4	-	-
	<b>12,901</b>	10,224	<b>4,028</b>	1,055
<b>Non-current liabilities</b>				
Borrowings	38	33	-	-
Deferred tax liabilities	32	34	-	-
	<b>70</b>	67	-	-
<b>Total liabilities</b>	<b>12,971</b>	10,291	<b>4,028</b>	1,055
<b>Net assets</b>	<b>9,969</b>	12,974	<b>5,912</b>	5,852
<b>Equity attributable to the Company's equity holders</b>				
Share capital	57,881	57,881	57,881	57,881
Capital reserve	747	747	-	-
Statutory reserve	10	10	-	-
Fair value adjustment reserve	-	-	-	-
Foreign currency translation reserve	(9)	-	-	-
Accumulated losses	(48,660)	(45,664)	(51,969)	(52,029)
<b>Total equity</b>	<b>9,969</b>	12,974	<b>5,912</b>	5,852

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

	<b>The Group</b>	
	<b>As at 31 Dec 2015 US\$'000</b>	<b>As at 31 Mar 2015 US\$'000</b>
Amount repayable in one year or less or on demand		
Secured <sup>(1)</sup>	<b>3,600</b>	3,674
Unsecured	<b>2,056</b>	35
	<b>5,656</b>	<b>3,709</b>
Amount repayable after one year		
Secured <sup>(1)</sup>	<b>38</b>	33
Unsecured	-	-
	<b>38</b>	<b>33</b>

### Details of any collateral

(1) These are secured against:

- A floating charge on the inventories and trade receivables of a subsidiary of the Company
- A escrow accounts with a bank of a subsidiary of the Company
- A corporate guarantee from the Company

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

	<b>The Group</b>	
	<b>3Q2016</b> <b>US\$'000</b>	<b>3Q2015</b> <b>US\$'000</b>
<b>OPERATING ACTIVITIES</b>		
(Loss) / Profit before tax	<b>(1,060)</b>	264
Adjustments for:		
Amortisation of intangible assets	<b>517</b>	446
Amortisation of deferred income	<b>(34)</b>	-
Depreciation of plant and equipment	<b>98</b>	93
Interest expense	<b>186</b>	113
Unrealised foreign exchange gain	<b>(110)</b>	(213)
Provision	<b>70</b>	92
Operating profit before changes in working capital	<b>(333)</b>	795
<i>Changes in working capital</i>		
Inventories	<b>(706)</b>	(442)
Trade and other receivables	<b>35</b>	298
Amount due from customers for contract work	<b>190</b>	152
Trade and other payables	<b>122</b>	(291)
Development expenditure	<b>(661)</b>	(643)
Provisions	<b>10</b>	(56)
Advances received from customers	<b>410</b>	(51)
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>(933)</b>	(238)
<b>INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	<b>(18)</b>	(24)
Purchase of computer software	<b>63</b>	-
Proceeds from government grant	<b>63</b>	-
<b>NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>	<b>45</b>	(24)
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	<b>-</b>	-
Repayment of borrowings – net	<b>(115)</b>	(36)
Advance from a shareholder	<b>1,000</b>	-
Interest paid	<b>(96)</b>	(113)
<b>NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>	<b>789</b>	(149)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	<b>(99)</b>	(411)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<b>203</b>	682
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<b>104</b>	271

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

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

	The Group						
	Share capital	Capital reserve	Statutory reserve	Fair value adjustment reserve	Foreign currency translation reserve	Accumulated losses	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 April 2014	57,772	750	-	(99)	(1)	(39,437)	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
Comprehensive income for the financial period	-	-	-	-	-	14	14
Other comprehensive income – exchange differences arising from translation of foreign operations	-	-	-	-	(15)	-	(15)
Balance as at 31 December 2014	57,881	747	-	(99)	(16)	(39,423)	19,090

	The Company				
	Share capital	Capital reserve	Fair value adjustment reserve	Accumulated losses	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 April 2015	57,881	-	-	(52,029)	5,852
Comprehensive loss for the financial period	-	-	-	60	60
Balance as at 31 December 2015	57,881	-	-	(51,969)	5,912

<b>The Company</b>					
	<b>Share capital</b>	<b>Capital reserve</b>	<b>Fair value adjustment reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Balance as at 1 April 2014	57,772	3	(99)	(38,515)	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
Comprehensive loss for the financial period	-	-	-	(23)	(23)
Balance as at 31 December 2014	57,881	-	(99)	(38,538)	19,244

**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**

	<b>No of shares</b>	<b>US\$'000</b>
Balance as at 31 March 2015 and 31 December 2015	1,187,355,813	57,881

**B. Share options**

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

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

**C. Rights Issue**

On 30 October 2015, the Company announced that it is undertaking a renounceable non-underwritten rights issue (the "Rights Issue") of up to 395,785,271 new ordinary shares of the Company (the "Shares"), on the basis of one Rights Share (as defined below) for every three existing Shares held by shareholders of the Company (the "Shareholders") held as at a time and date to be determined by the Directors on which the Register of Members and the Transfer Books of the Company will be closed for the purpose of determining the Shareholders' entitlements under the Rights Issue (the "Books Closure Date"). The Company is offering up to 395,785,271 new Shares (the "Rights Shares") at an issue price of S\$0.035 per Rights Share, on the basis of one Rights Share for every three existing Shares held by Shareholders as at the Books Closure Date.

The Rights Issue is subject to, *inter alia*:

- (i) the receipt of the listing and quotation notice from the Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing and quotation of the Rights Shares on the SGX-ST; and
- (ii) the lodgment of the Offer Information Statement with the Monetary Authority of Singapore.

An application will be made to the SGX-ST for the listing and quotation of the Rights Shares on the SGX-ST. The Company will make the relevant announcement upon receipt of the outcome of the application.

**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.**

	<b>As at 31 Dec 2015</b>	<b>As at 31 Mar 2015</b>
Total number of issued ordinary shares (excluding treasury shares)	<b>1,187,355,813</b>	1,187,355,813

**1.(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Company has had no treasury shares as at 31 December 2015. Neither were there any sale, transfer, disposal, cancellation and/or use of treasury shares by the Company during 3Q2016.

**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 2015.

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 2015 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.**

	<b>The Group</b>	
	<b>As at 31 Dec 2015 US\$'000</b>	<b>As at 31 Dec 2014 US\$'000</b>
<b>Net (loss)/profit attributable to shareholders</b>	<b>(2,996)</b>	14
<b>Earning per share</b>		
Basic (US cents)	<b>(0.25)</b>	0.001
Diluted (US cents)	<b>(0.25)</b>	0.001
<b>Number of ordinary shares in issue (excluding treasury shares)</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>1,187,355,813</b>	1,186,304,177
Effect of potentially dilutive ordinary shares – Share options (Note 1)	-	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>1,187,355,813</b>	1,186,304,177

**Note:**

(1) As at 31 December 2014 and 31 December 2015, the Company has neither treasury shares nor outstanding dilutive securities (including share options) which are capable of being converted into the shares of the Company.

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

	The Group		The Company	
	As at 31 Dec 2015 US\$'000	As at 31 Mar 2015 US\$'000	As at 31 Dec 2015 US\$'000	As at 31 Mar 2015 US\$'000
Net asset value as at end of financial period/year	<b>9,969</b>	12,974	<b>5,912</b>	5,852
Net asset value per ordinary share as at the end of financial period/year (US cents)	<b>0.84<sup>(1)</sup></b>	1.09 <sup>(1)</sup>	<b>0.50<sup>(1)</sup></b>	0.49 <sup>(1)</sup>

**Note:**

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

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earning of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period report on.**

**Overview**

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 (an Airbus Group company), Satlink, Intellian, Applied Satellite Technology Ltd and Satcom Global.

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

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

**(a) Review of financial performance of the Group for 3Q2016 (relative to 3Q2015)**

**Turnover**

The turnover of our Group decreased by US\$2.2 million or 51.5% to US\$2.1 million in 3Q2016 from US\$4.3 million in 3Q2015. The lacklustre performance was attributed mainly to the confluence of the following 'perfect storm' events, which had lasted for a sustained period, though the end of the tunnel for some is at sight:

- (a) the anaemic world economy, other than that of the People's Republic of China albeit its slowdown, which adversely affected many industries, including the energy and the maritime sectors which the Group is depended upon to a reasonable extent since the past few years;
- (b) the delay or hold back in anticipated orders for certain of our new products by some of our channel partners (the "Delayed Order") due to:
  - (1) The delay in the rollout of Inmarsat GX services as a result of the adjournment in the launch of Inmarsat-5 F3 satellite, which finally took place on 28 August 2015. Together with Inmarsat-5 F1 and Inmarsat-5 F2, which were successfully launched in December 2013 and February 2015 respectively, the newly configured constellation stands Inmarsat in readiness to launch the GX services by the end of 2015, and, following from which, barring any unforeseen circumstances, spurred fresh orders for our high-end FBB terminals are expected.
  - (2) The deferment of a commercial program by one of our network partners because of some technical issues it has with its consigned supplier concerning a certain key and unique component required of the broadband maritime terminal to be operated under the said program. With the said program resumed recently in November 2015, we expect a sizable order for the affected maritime terminals to flow in in the near future.
  - (3) The delay in the upgrading of the IsatHub billing platform by Inmarsat to have the flexibility in embracing more pricing options, including the prepayment mode, for channel partners to expand the market reach with a view to attract more non-traditional satellite communications end users. With the billing platform to be upgraded in due course, we expect fresh pick-up in orders for our iSavi terminals to follow suit.



## Profitability

Our Group registered a gross profit of US\$0.8 million against a gross profit margin of 36.0% in 3Q2016 relative to a gross profit of US\$1.6 million against a gross profit margin of 35.9% in 3Q2015.

The higher other operating income in 3Q2015 was mainly attributable to a foreign exchange gain recognised while the other operating income in 3Q2016 was primarily attributable to a government grant received.

In line with decreased business activities, our selling and distribution expenses decreased by US\$78,000 or 28.0%, from US\$279,000 in 3Q2015 to US\$201,000 in 3Q2016.

Our administrative expenses increased by US\$99,000 or 20.4%, from US\$486,000 in 3Q2015 to US\$585,000 in 3Q2016, attributed mainly to higher manpower costs and rental due to the expansion of our Beijing office.

Our other operating expenses increased by US\$169,000 or 25.6% from US\$659,000 in 3Q2015 to US\$828,000 in 3Q2016, due mainly to increased amortisation expense of intangible assets as more of our products were being commercialised as well as increased lab expenses incurred in enhancing our existing products.

The increase in finance expenses was attributed mainly to additional borrowings procured in Q12016.

As a result of the above, our Group incurred a net loss of US\$1.1 million in 3Q2016 compared to a net gain of US\$264,000 in 3Q2015 and a net loss of US\$3.0 million in 9M2016 compared to a net profit of US\$14,000 in 9M2015.

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

The increase in inventories was mainly attributed to the finished goods which await delivery to customers.

The decrease in trade receivables was in line with our reduced business activities while the increase in other receivables, deposits and prepayments were mainly attributable to prepayments made to suppliers for the ordering of materials in meeting production in 2H2016.

The lower amount due from customers for contract work as at 31 December 2015 relative to that as at 31 March 2015 was due mainly to billings done during 3Q2016.

The decrease in trade payables was mainly attributed to payments made.

The increase in other payables and accruals relate mainly to advances and the reclassification of the provision for fees payable to the independent directors while the increase in advance receipts relates mainly to deposits received for new orders from customers.

The increase in borrowings was attributed mainly to additional hire–purchase and short-term loans procured in 1Q2016 couple with one of the existing loans being reclassified from 'non-current' to 'current' in 3Q2016 as its maturity falls within the next twelve months from 31 December 2015.

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 28.8% as at 31 March 2015 to 57.1% as at 31 December 2015;
2. the negative working capital position of the Group increased from US\$1.9 million as at 31 March 2015 to US\$5.6 million as at 31 December 2015;
3. the net cash flow of the Group used in operations increased from US\$0.2 million in 3Q2015 to US\$0.9 million in 3Q2016; and
4. the net asset value of the Group decreased by US\$3.0 million or 23.2% from US\$13.0 million as at 31 March 2015 to US\$10.0 million as at 31 December 2015, with the net asset value per ordinary share decreased from 1.09 US cents per share as at 31 March 2015 to 0.84 US cents per share as at 31 December 2015.

In addressing the increased gearing and negative working capital concerns, the Group is currently in the midst of conducting the Rights Issue exercise (the details of which are provided in 1.(d)(ii)C. above), and remains open to all other funding options.

### **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**

The initial in-orbit testing of our in-house developed Inter-Satellite Data Relay System (“IDRS”) terminal carried out by our engineers in the weeks following the successful launch of the VELOX-II satellite on 16 December 2015 have had yielded extremely encouraging positive results that were very much in line with expectations. We are hopeful that our IDRS terminal will eliminate the within-sight-of-an-earth-station limitation confronting LEO satellites today, and accordingly will not only enhance the efficiency of satellite communications, but also open up many uncharted market opportunities for LEO satellite operators in the foreseeable future.

In early January 2016, we delivered several hundreds of our Wideye™ iSavi portable satellite terminals to Zhongyou Century Technology Co Ltd (“Zhongyou”), a subsidiary of China National Postal and Telecommunications Appliances Corp (“PTAC”), following our strategic alliance with Zhongyou in November 2015. Barring any unforeseen circumstances, this initial momentum prompted by the 'Belt and Road' initiative promulgated by the Chinese government is expected to be followed up with greater sizable orders in the next financial year and beyond.

In late January 2016, we also procured a significant contract with one of our existing customers to supply satellite terminals for a government project (the “Supply Contract”).

As at the date of this announcement, the Group has collectively secured confirmed orders aggregating about US\$6.4 million, including the Supply Contract, which will substantially be fulfilled in Q42016 and contribute significantly to the financial performance of the Group for the current financial year ended 31 March 2016.

Barring any unforeseen circumstances, we maintain that our performance in 2H2016 will significantly outperform that of 1H2016.

Looking beyond FY2016, we are taking a hard appraisal of our business activities with a view to reorganize them such that they can latch onto the unassailable global trend of mobile internet connectivity, where satellite communication plays a vital role in ensuring that cloud-based or edge-based applications will be supported seamlessly and uninterrupted, and be more align with where the prevailing opportunities are. Casting an eye on the present gloomy global economy, the only bright spots appear to be in China and the US, and we would like to realign ourselves with them to exploit the availing opportunities there while the windows are still open. We believe the 'Belt and Road' economic initiative promulgated by China will bring us vast new opportunities in China and Central Asia. We are also of the view that the US market is still a fertile ground for satellite communications services, especially in the realm of M2M applications. Certain reorganization in aligning our business activities in this regard is currently being looked into, and appropriate announcement will be made by the Company once the reorganization plan has been firmed up.

With regard to the proposed disposal of the Company’s subsidiary, Addvalue Communications Pte Ltd, as announced by the Company on 25 March 2014 (the “Proposed Disposal”), the buyer to the Proposed Disposal has been maintaining constant dialogue with us with a view in seeing to the fruitful conclusion of the transaction and nothing has come to our attention that the buyer is not interested in pursuing the transaction.

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

**As the completion of the Proposed 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 3Q2016.

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

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

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

To the best of our knowledge and belief, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the three months ended 31 December 2015 to be false or misleading in any material aspect.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company is in the process of procuring the said undertakings from all its Directors and Executive Officers.

For and on behalf of the Board of Directors

Dr Colin Chan Kum Lok  
Chairman & CEO

Tan Khai Pang  
Director

6 February 2015