

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2009 (“1Q2010”) IN RESPECT OF THE FINANCIAL PERIOD ENDING 31 MARCH 2010 (“FY2010”)

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

	The Group		
	1Q2010	1Q2009	%
	S\$'000	S\$'000	Change
Revenue	733	270	171.5
Cost of sales	(497)	(189)	163.0
Gross profit	236	81	191.4
Other operating income	2	13	(84.6)
Selling and distribution expenses	(69)	(50)	38.0
Administration expenses	(308)	(397)	(22.4)
Other operating expenses	(303)	(345)	(12.2)
Loss from operations	(442)	(698)	(36.7)
Finance expenses	(140)	(80)	75.0
Loss before tax	(582)	(778)	(25.2)
Taxation	-	(80)	N/m
Net loss attributable to the shareholders	(582)	(860)	(32.3)
Net loss after tax	(582)	(860)	(32.3)
Other comprehensive income:			
Exchange differences on translating foreign operations	-	-	N/m
Total comprehensive loss for the period	(582)	(860)	(32.3)
Total comprehensive loss attributable to:			
Equity holders of the company			
Before exceptional items	(582)	(860)	(32.3)
Exceptional items	-	-	N/m
	(582)	(860)	(32.3)

“1Q2009” denotes the first quarter period ended 30 June 2008 in respect of FY2009

“FY2009” denotes the financial year ended 31 March 2009

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

“N/m” denotes not meaningful

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

	The Group		
	1Q2010	1Q2009	%
	S\$'000	S\$'000	Change
Profit before tax has been arrived at after charging/(crediting):			
Allowance for/doubtful debts	-	-	N/m
Depreciation and amortisation	335	193	73.6
Foreign exchange loss/(gain) (net)	(212)	(24)	783.3
Interest expense	140	80	75.0
Interest income	-	5	N/m
	<u>7</u>	<u>-</u>	N/m

"% 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 Jun 2009 S\$'000	As at 31 Mar 2009 S\$'000	As at 30 Jun 2009 S\$'000	As at 31 Mar 2009 S\$'000
Non-current assets				
Property, plant and equipment	1,097	768	-	-
Subsidiaries	-	-	4,579	4,579
Associates	-	-	-	-
Intangible assets	9,330	9,142	-	-
Current assets				
Inventories	1,862	1,275	-	-
Construction contract work-in-progress	4,293	5,276	-	-
Trade receivables	257	64	-	-
Other receivables, deposits and prepayments	740	289	350	149
Due from subsidiaries (non-trade)	-	-	3,713	2,344
Cash and cash equivalents	72	40	2	-
	7,224	6,944	4,065	2,493
Total assets	17,651	16,854	8,644	7,072
Current liabilities				
Trade payables	2,040	1,736	-	-
Other payables and accruals	4,035	4,758	802	884
Loan from financial institutions	3,915	3,990	2,414	2,400
Advance receipts	952	798	-	-
Due to subsidiaries (non-trade)	-	-	175	183
Provision for tax	5	5	5	5
Bank overdrafts	439	601	439	601
	11,386	11,888	3,835	4,073
Net current (liabilities)/assets	(4,162)	(4,944)	230	(1,580)
Net assets	6,265	4,966	4,809	2,999
Equity attributable to the Company's equity holders				
Share capital	61,047	59,166	61,047	59,166
Capital reserve	65	65	65	65
Accumulated losses	(54,847)	(54,265)	(56,303)	(56,232)
	6,265	4,966	4,809	2,999
Non-controlling interests	N/m	N/m	-	-
Total equity	6,265	4,966	4,809	2,999

"N/m" denotes not material, being less than S\$500

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

	As at 30 Jun 2009 S\$'000	As at 31 Mar 2009 S\$'000
Amount repayable in one year or less or on demand		
Secured	-	-
Unsecured	<u>4,354</u>	<u>4,591</u>
	<u><u>4,354</u></u>	<u><u>4,591</u></u>
Amount repayable after one year		
Secured	-	-
Unsecured	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

Details of any collateral

Not applicable.

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	
	1Q2010	1Q2009
	S\$'000	S\$'000
OPERATING ACTIVITIES		
Loss before tax	(582)	(779)
Adjustments for:-		
Allowance for doubtful debts	-	-
Amortisation of intangible assets	186	47
Depreciation of plant and equipment	149	146
Interest expense	140	80
Interest income	-	5
Share option expenses	-	-
Operating loss before changes in working capital	(107)	(501)
<i>Changes in working capital</i>		
Inventories	(587)	(53)
Trade and other receivables	(645)	(70)
Construction contract work-in-progress	984	1
Trade and other payables	(420)	2,133
Advance receipts	154	23
Cash generated from operations	(621)	1,533
Interest received	-	(5)
Income tax paid	-	(3)
Development expenditure (net of amortisation and depreciation)	(374)	(435)
NET CASH USED IN OPERATING ACTIVITIES	(995)	1,090
INVESTING ACTIVITIES		
Purchase of plant and equipment	(478)	(5)
Purchase of intangible asset	-	-
NET CASH USED IN INVESTING ACTIVITIES	(478)	(5)
FINANCING ACTIVITIES		
Repayment of trust receipts	-	(1,026)
Conversion of unsecured convertible loan	-	-
(Share registrar expenses)/Proceeds from issue of new shares (net of issue expenses)	1,881	(1)
Repayment of loans	(75)	-
Interest paid	(140)	(80)
NET CASH FROM FINANCING ACTIVITIES	1,666	(1,107)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	193	(22)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(560)	681
CASH AND CASH EQUIVALENTS AT END OF PERIOD (NOTE 1)	(367)	659

Note 1:

Cash and cash equivalents consist of:

	The Group	
	1Q2010	1Q2009
	S\$'000	S\$'000
Total cash and bank balances	72	2,416
Less: Bank overdrafts	(439)	(1,757)
	(367)	659

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 Reserve	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Apr 2009	59,166	(54,265)	65	N/m	4,966
Issuance of new shares	1,881	-	-	-	1,881
Comprehensive loss for the period	-	(582)	-	-	(582)
Balance as at 30 Jun 2009	61,047	(54,847)	65	N/m	6,265

	The Group				
	Share Capital	Accumulated Losses	Capital Reserve	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Apr 2008	59,167	(51,343)	65	N/m	7,889
Recognition of share-based payment	(1)	-	-	-	(1)
Comprehensive loss for the period	-	(860)	-	-	(860)
Balance as at 30 Jun 2008	59,166	(52,203)	65	N/m	7,028

"N/m" denotes not material, being less than S\$500

	The Company			
	Share Capital	Accumulated Losses	Capital Reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Apr 2009	59,166	(56,232)	65	2,999
Issuance of new shares	1,881	-	-	1,881
Comprehensive loss for the period	-	(71)	-	(71)
Balance as at 30 Jun 2009	61,047	(56,303)	65	4,809

	The Company			
	Share Capital	Accumulated Losses	Capital Reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Apr 2008	59,167	(55,083)	65	4,149
Recognition of share-based payment	(1)	-	-	(1)
Comprehensive loss for the period	-	(82)	-	(82)
Balance as at 30 Jun 2008	59,166	(55,165)	65	4,066

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

	S\$'000
Balance as at 1 Apr 2009	59,166
Issue of new shares pursuant to the Placement (as defined below)	<u>1,881</u>
Balance as at 30 Jun 2009	<u><u>61,047</u></u>

Pursuant to a placement carried out in 1Q2010, the Company issued 40,000,000 new ordinary shares for cash at an issue price of S\$0.05 each (the "Placement"). These shares rank *pari passu* in all respect with the existing ordinary shares of the Company. Save for the Placement, there was no movement in the share capital of the Company during Q12010.

Subsequent to Q12010, the Company placed out a further 56,000,000 new ordinary shares for cash at an issue price ranging between S\$0.03836 and S0.0403 each (the "Subsequent Placement"). These shares rank *pari passu* in all respect with the existing ordinary shares of the Company.

Use of the proceeds from the Placement and Subsequent Placement

Of the gross proceeds of S\$2 million raised from the Placement, as at the date of this announcement, about S\$0.8 million had been utilized for the following purposes:

Use of Placement proceeds	As at the date of this announcement
	S\$ million
Production of products to be launched	0.5
Issuing expenses	<u>0.3</u>
Total amount disbursed	<u><u>0.8</u></u>

Pending specific deployment for project development and product production purposes, the balance of the net Placement proceeds of about S\$1.2 million were utilized for general working capital of the Group.

Of the gross proceeds of S\$2.2 million raised from the Subsequent Placement, as at the date of this announcement, about S\$1.8 million had been utilized for the following purposes:

Use of Subsequent Placement proceeds	As at the date of this announcement
	S\$ million
Working capital	1.6
Issuing expenses	<u>0.2</u>
Total amount disbursed	<u><u>1.8</u></u>

Pending specific deployment for project development and product production purposes, the balance of the net Subsequent Placement proceeds of about S\$0.4 million were utilized for general working capital of the Group.

(B) Share options

As at 30 June 2009, there were 12,045,000 outstanding share options issued (the "ESOS Options"), pursuant to the Company's Employee Share Option Scheme, which are capable of being exercised into the same equivalent number of shares of the Company. (30 June 2008: 17,950,000).

Saved for the ESOS Options, the Company has no other outstanding convertibles and treasury shares as at 30 June 2009 and 30 June 2008.

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 Jun 2009	As at 31 Mar 2009
Total number of issued ordinary shares (excluding treasury shares)	847,905,813	807,905,813

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 had no treasury shares as at 30 June 2009.

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 financial statements for 1Q2010 as those in the audited annual financial statements for FY2009.

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.

In the current financial year, the Group adopted all the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2009. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Group:

FRS 1 (Revised) Presentation of Financial Statements

FRS 23 (Revised) Borrowing Costs

FRS 108 Operating Segments

The adoption of the above FRS did not result in any significant change to the Group's accounting policies or has any material effect on the financial statements.

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 Jun 2009 S\$'000	As at 30 Jun 2008 S\$'000
Net loss attributable to shareholders	582	860
Loss per share		
Basic (Singapore cents)	0.07 cents⁽¹⁾	0.11 cents ⁽²⁾
Diluted (Singapore cents)	0.07 cents⁽³⁾	0.11 cents ⁽⁴⁾

Notes:

(1) Based on the adjusted weighted average number of 812,740,978 ordinary shares.

(2) Based on the adjusted weighted average number of 807,905,813 ordinary shares.

(3) Based on the adjusted weighted average number of 812,740,978 ordinary shares. The outstanding ESOS Options granted under the Addvalue Employee Share Option Scheme as at 30 June 2009 were not included for this calculation as they are anti-dilutive.

(4) Based on the adjusted weighted average number of 807,905,813 ordinary shares. The outstanding ESOS options granted under the Addvalue Employee Share Option Scheme as at 30 June 2008 were not included for this calculation as they are anti-dilutive.

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 Jun 2009 S\$'000	As at 31 Mar 2009 S\$'000	As at 30 Jun 2009 S\$'000	As at 31 Mar 2009 S\$'000
Net asset value as at end of financial period/year	<u>6,265</u>	<u>4,966</u>	<u>4,809</u>	<u>2,999</u>
Net asset value per ordinary share as at the end of financial period/year (Singapore cents)	<u>0.74 cents⁽¹⁾</u>	<u>0.61 cents⁽²⁾</u>	<u>0.57 cents⁽¹⁾</u>	<u>0.37 cents⁽²⁾</u>

Notes:

(1) Based on 847,905,813 issued shares.

(2) Based on 807,905,813 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.

(a) Review of financial performance of the Group for 1Q2010 (relative to that of 1Q2009)

Overview

Addvalue is a leading 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, SingTel and Satlink.

Addvalue is currently one of the only 3 authorised global developers-cum-suppliers, and the only one in Asia, of the portable Broadband Global Area Network ("BGAN") satellite terminal. The terminal operates on a satellite infrastructure, run by London-listed Inmarsat, which facilitates connectivity anywhere in the world. BGAN is an ideal choice for communication in areas where terrestrial or cellular networks are damaged, congested or non-existent.

Turnover

The turnover of our Group increased by about S\$463,000 or 171.5% from about S\$0.3 million in 1Q2009 to about S\$0.7 million in 1Q2010. The increase was attributed mainly to the continued sales of our Inmarsat-land-BGAN-centric Sabre™ 1 Terminal and the commercial shipment of our new spin-off product, Inmarsat-land-BGAN-centric Sabre™ Ranger Terminal, which was officially inaugurated in end June 2009. Sabre™ Ranger Terminal is a ruggedised, compact BGAN terminal that will withstand all environmental challenges associated with remote SCADA (Supervisory, Control And Data Application) applications targeting especially the oil and gas industries.

Profitability

Against the higher turnover, we registered an increase of about S\$0.2 million or 191.4% in gross profit from about S\$81,000 in 1Q2009 to about S\$0.2 million in 1Q2010 at improved gross profit margin from about 30.0% to about 32.2% over the same financial periods under review. We would have attained greater gross profit margins had we not offered the initial units of our commercialised products at promotional rates.

The decrease in other operating income from about S\$13,000 in 1Q2009 to about S\$2,000 in 1Q2010 was mainly due to a higher interest income being recorded in 1Q2009.

The increase in selling and distribution expenses from about S\$50,000 in 1Q2009 to about S\$69,000 in 1Q2010 was attributed mainly to the additional cost incurred via a participation in an exhibition to market our products.

Our continued cost containment measures further reduced our administrative expenses from about S\$0.4 million in 1Q2009 to about S\$0.3 million in 1Q2010.

There had been an increase in the amortization of our development expenditure following the commercialisation of our Sabre™ family of new products. The increase in amortisation expenses, however, was more than offset by a gain in

exchange differences on trading transactions due to the continued strengthening of US\$ vis-à-vis S\$ in 1Q2010. This resulted in a decrease in our other operating expenses from about S\$0.4 million in 1Q2009 to about S\$0.3 million in 1Q2010.

Due to the higher gross profit and cost savings in our distributions and administrative expenses, we reduced our loss from operations by about S\$0.3 million or 32.3% from a loss of about S\$0.7 million in 1Q2009 to a loss of about S\$0.4 million in 1Q2010.

We incurred higher finance expenses in 1Q2010 relative to 1Q2009 due to interest rate hikes on our loans procured with financial institutions.

The tax expense of about S\$82,000 incurred in 1Q2009 was attributed to tax expenses imputed on certain income by the Inland Revenue Authority of Singapore, which we are disputing.

(b) Review of financial position of the Group as at 30 June 2009 (relative to that as at 31 March 2009)

The increase in intangible assets was attributed mainly to the development expenditure as we continued to develop our proprietary products.

The increase in inventories was mainly due to bulk purchase of materials in anticipation of production requirements.

While we recorded increase in trade receivables and trade payables in tandem with our increased business activities, the increase in billings for work done had resulted in a decrease in construction contract work-in-progress.

The increase in other receivables, deposits and prepayments were attributed mainly to deposits placed for the purchase of equipment and the acquisition of new licences for software products used by our Sabre™ range of products as well as prepayments made in conjunction with the fund raising exercises carried out in 1Q2010.

Our other payables and accruals as well as bank borrowings were reduced following payments made in 1Q2010.

The increase in advance receipts was attributed mainly to payments received in advanced from two customers for their purchase commitments.

Taken as a whole, our working capital improved from a negative position of about S\$4.9 million as at 31 March 2009 to a negative position of about S\$4.2 million as at 30 June 2009. The Subsequent Placement and other pending fund raising exercises pursuant to the announcements made on 12 June 2009 and 12 July 2009, when completed, are expected to further fortify the working capital position and balance sheet of our Group.

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

We incurred a loss in 1Q2010 as our suite of new products has yet to be fully rolled out as at 30 June 2009. Nevertheless, with the commercialization of:

1. our Inmarsat-maritime-BGAN-centric Skipper™ 150 Terminal (targeting the smaller leisure, fishing and commercial vessels) debut in end July 2009 immediately following the final type approval obtained on 24 July 2009; and
2. our Thuraya-maritime-centric Seagull 5000 Terminal (targeting cost sensitive users in the fishery industry who predominantly require only voice and low data service) expected to be debut in the third quarter of 2009,

we anticipate sales from these new revenue streams to greatly improve our performance for the remaining period of FY2010.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

In line with Item 9 above, barring any unforeseen circumstances, delay in the roll out of the new suite of products and completion of the pending fund raising exercises announced on 12 June 2009 and 12 July 2009, we remain cautiously optimistic about our performance for FY2010.

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. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future, undue reliance must not be placed on these statements.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for 1Q2010.

BY ORDER OF THE BOARD

**Dr Colin Chan Kum Lok
Chairman & CEO**

14 August 2009

Negative Assurance Confirmation on Interim Financial Results pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, 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 30 June 2009 to be false or misleading in any material aspect.

Signed for on behalf of the Board of Directors



Dr Colin Chan Kum Lok
Chairman & CEO

14 August 2009



Tan Khai Pang
Director