addvalue driving connectivity

ADDVALUE TECHNOLOGIES LTD
Company Registration No. 199603037H

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND FINANCIAL QUARTER AND THE FIRST HALF FINANCIAL YEAR ENDED 30 SEPTEMBER 2013 ("2Q2014" AND "1H2014" RESPECTIVELY) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 MARCH 2014 ("FY2014")

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					
	2Q2014 US$'000	2Q2013 US$'000	% Change	**1H2014 US$'000**	1H2013 US$'000	% Change
Revenue	**3,331**	1,551	114.8	**6,790**	4,121	64.8
Cost of sales	**(1,799)**	(858)	109.7	**(3,704)**	(2,142)	72.9
Gross profit	**1,532**	693	121.1	**3,086**	1,979	55.9
Other operating income	**11**	131	(91.6)	**96**	161	(40.4)
Selling & Distribution expenses	**(260)**	(194)	34.0	**(532)**	(420)	26.7
Administrative expenses	**(502)**	(404)	24.3	**(929)**	(719)	29.2
Other operating expenses	**(631)**	(577)	9.4	**(1,316)**	(1,096)	20.1
Profit/(loss) from operations	**150**	(351)	N/m	**405**	(95)	N/m
Finance expenses	**(64)**	(75)	(14.7)	**(128)**	(144)	(11.1)
Finance income	**-**	-	-	**227**	-	N/m
Profit/(loss) before tax	**86**	(426)	N/m	**504**	(239)	N/m
Taxation	**(5)**	30	N/m	**(59)**	-	N/m
Net profit/(loss) for the period	**81**	(396)	N/m	**445**	(239)	N/m
Other comprehensive income	**-**	-	-	**-**	-	-
Total comprehensive income for the period	**81**	(396)	N/m	**445**	(239)	N/m
Attributable to:						
Equity holders of the Company	**81**	(396)	N/m	**445**	(239)	N/m
Total comprehensive income for the period	**81**	(396)	N/m	**445**	(239)	N/m

"2Q2013" denotes the second financial quarter ended 30 September 2012 in respect of the financial year ended 31 March 2013 ("FY2013").
"1H2013" denotes the first half financial period ended 30 September 2012 in respect of FY2013.
"% 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					
	2Q2014 US$'000	2Q2013 US$'000	% Change	**1H2014 US$'000**	1H2013 US$'000	% Change
Profit before tax has been arrived at after charging/(crediting):						
Depreciation and amortization	**477**	335	42.4	**958**	682	40.5
Foreign exchange loss/(gain) (net)	**2**	137	98.5	**(76)**	107	N/m
Interest expense	**64**	75	(14.7)	**128**	144	(11.1)

.

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 2013 US$'000	As at 31 Mar 2013 US$'000	**As at 30 Sept 2013 US$'000**	As at 31 Mar 2013 US$'000
Non-current assets				
Plant and equipment	**747**	**536**	**-**	**-**
Subsidiaries	**-**	**-**	**14,345**	**14,345**
Intangible assets	**14,604**	**14,190**	**-**	**-**
Deferred tax assets	**2,093**	**2,152**	**-**	**-**
	17,444	**16,878**	**14,345**	**14,345**
Current assets				
Inventories	**4,067**	**3,320**	**-**	**-**
Amount due from customers for contract work	**195**	**94**	**-**	**-**
Trade receivables	**2,934**	**3,980**	**-**	**-**
Other receivables, deposits and prepayments	**1,404**	**814**	**18**	**5**
Available-for-sales financial assets	**2**	**2**	**2**	**2**
Due from subsidiaries (non-trade)	**-**	**-**	**5,351**	**5,371**
Fixed deposit	**47**	**47**	**-**	**-**
Cash and bank balances	**227**	**198**	**7**	**5**
	8,876	**8,455**	**5,378**	**5,383**
Total assets	**26,320**	**25,333**	**19,723**	**19,728**
Current liabilities				
Trade payables	**2,574**	**2,108**	**-**	**-**
Other payables and accruals	**1,124**	**1,342**	**422**	**404**
Provisions	**269**	**330**	**128**	**128**
Borrowings	**633**	**2,739**	**-**	**-**
Advances received from customers	**304**	**9**	**-**	**-**
Due to subsidiaries (non-trade)	**-**	**-**	**63**	**75**
	4,904	**6,528**	**613**	**607**
Net current assets	**3,972**	**1,927**	**4,765**	**4,776**
Non-current liabilities				
Borrowings	**(2,164)**	**(20)**	-	-
Net assets	**19,252**	**18,785**	**19,110**	**19,121**
Equity attributable to the Company's equity holders				
Share capital	**57,637**	**57,615**	**57,637**	**57,615**
Capital reserve	**754**	**754**	**7**	**7**
Fair value adjustment reserve	**(101)**	**(101)**	**(101)**	**(101)**
Accumulated losses	**(39,038)**	**(39,483)**	**(38,433)**	**(38,400)**
Total equity	**19,252**	**18,785**	**19,110**	**19,121**

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

	The Group	
	As at 30 Sept 2013 US$'000	As at 31 Mar 2013 US$'000
Amount repayable in one year or less or on demand		
Secured[(1)]	**633**	2,739
Unsecured	**-**	-
	633	2,739
Amount repayable after one year		
Secured[(1)]	**2,164**	20
Unsecured	**-**	-
	2,164	20

Details of any collateral

(1) These are secured against:

- A floating charge on the inventories of a subsidiary of the Company
- An escrow account with a bank of a subsidiary of the Company
- A corporate guarantee from the Company

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

	The Group	
	2Q2014	2Q2013
	US$'000	US$'000
OPERATING ACTIVITIES		
Profit/(loss) before tax	**86**	(426)
Adjustments for:		
Amortisation of intangible assets	**422**	274
Depreciation of plant and equipment	**55**	61
Interest expense	**64**	75
Provision	**151**	107
Operating profit before changes in working capital	**778**	91
Changes in working capital		
Inventories	**(697)**	(365)
Trade and other receivables	**(136)**	1,317
Amount due from customers for contract work	**(1)**	397
Trade and other payables	**159**	(351)
Development expenditure	**(637)**	(679)
Advances received from customers	**299**	-
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	***(235)***	*410*
INVESTING ACTIVITIES		
Purchase of plant and equipment	**(264)**	(11)
Purchase of computer software	**-**	(13)
Repayment from staff	**-**	40
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	***(264)***	*16*
FINANCING ACTIVITIES		
Proceeds from borrowings	**610**	-
Repayment of borrowings – net	**(9)**	(306)
Proceeds from issue of shares (net of issue expenses)	**5**	140
Interest paid	**(64)**	(75)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	***542***	*(241)*
NET INCREASE IN CASH AND CASH EQUIVALENTS	**43**	185
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	**184**	227
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	**227**	412

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

	The Group						
	Share capital	**Accumulated losses**	**Capital reserves**	**Fair value adjustment reserves**	**Currency translation reserve**	**Non-controlling interests**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Balance as at 1 April 2013	57,615	(39,483)	754	(101)	-	-	18,785
Issuance of new shares pursuant to exercise of share options under the ESOS Scheme (as defined below) - net of share issue expenses	22	-	-	-	-	-	22
Comprehensive income for the financial period	-	445	-	-	-	-	445
Balance as at 30 September 2013	57,637	(39,038)	754	(101)	-	-	19,252

	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 Company					
	Share capital	Accumulated losses	Capital reserves	Fair value adjustment reserves	Currency translation reserve	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 April 2013	57,615	(38,400)	7	(101)	-	19,121
Issuance of new shares pursuant to exercise of share options under the ESOS Scheme (as defined below) – net of share issue expenses	22	-	-	-	-	22
Comprehensive loss for the financial period	-	(33)	-	-	-	(33)
Balance as at 30 September 2013	57,637	(38,433)	7	(101)	-	19,110

	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

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 2013	1,178,685,813	57,632
Issuance of new ordinary shares pursuant to the exercise of share options granted under the ESOS Scheme (as defined hereafter)	200,000	5
Balance as at 30 September 2013	1,178,885,813	57,637

B. Share options

As at 30 September 2013, there were 8,470,000 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 2012: 16,440,000).

Save as disclosed, the Company has no other outstanding convertibles and treasury shares as at 30 September 2013 and 30 September 2012.

Save for the exercise of share options under the ESOS Scheme, there was no movement in the share capital of the Company during 2Q2014.

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 2013	As at 31 Mar 2013
Total number of issued ordinary shares (excluding treasury shares)	**1,178,885,813**	1, 178,085,813

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

The Company has had no treasury shares as at 30 September 2013. Neither were there any sale, transfer, disposal, cancellation and/or use of treasury shares by the Company during 2Q2014.

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 2013.

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 adopted the following new and revised FRS relevant to its operations, which took effect from the financial year beginning on or after 1 April 2013 (the "New and Revised FRS"):

a. Amendments to FRS 1 Presentation of Items of Other Comprehensive Income
b. Revised FRS 19 Employee Benefits
c. FRS 113 Fair Value Measurement
d. Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities
   Improvements to FRSs 2012
e. Amendments to FRS 1 – Presentation of Financial Statements
f. Amendments to FRS 16 – Property, Plant and Equipment
g. Amendments to FRS 54 – Financial Instruments: Presentation

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 2Q2014.

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 2013 US$'000	As at 30 Sept 2012 US$'000
Net profit/loss attributable to shareholders	**445**	(239)
Earning/loss per share		
Basic (US cents)	**0.04**	(0.02)
Diluted (US cents)	**0.04**	(0.02)

Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,178,686,906**	1,156,798,573
Effect of potentially dilutive ordinary shares – Share options[(1)]	**4,725,455**	13,293,273
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,183,412,361**	1,170,091,846

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 2013 US$'000	As at 31 Mar 2013 US$'000	**As at 30 Sept 2013 US$'000**	As at 31 Mar 2013 US$'000
Net asset value as at end of financial period/year	**19,252**	18,785	**19,110**	19,121
Net asset value per ordinary share as at the end of financial period/year (US cents)	**1.63[(1)]**	1.59[(2)]	**1.62[(1)]**	1.62[(2)]

Notes:

(1) *Based on 1,178,885,813 issued shares.*

(2) *Based on 1,178,085,813 issued shares.*

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

Overview

Addvalue 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.

Through the recent years of business transformation, Addvalue has emerged to be 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) Review of financial performance of the Group for 2Q2014 (relative to 2Q2013)

Turnover

Our Group more than doubled its turnover in 2Q2014 to US$3.3 million *vis-à-vis* that of US$1.6 million attained in 2Q2013. The marked increased in turnover was attributable principally to increased product sales, particularly from our maritime products and notably from our new FX series range of terminals as well as our new Thuraya centric narrowband products. The hike in turnover had also resulted in our Group recording a revenue growth of 64.8% in1H2014 to US$6.8 million from US$4.1 million in 1H2013.

Profitability

Our Group registered a gross profit of US$1.5 million in 2Q2014 compared to that of US$0.7 million in 2Q2013 against a gross profit margin of 46.0% in 2Q2014 compared to a gross profit margin of 44.7% in 2Q2013. On a half-yearly basis, the Group attained a gross profit margin of 45.4% in 1H2014 compared to that of 48.0% in 1H2012. The gross profit margins attained were within the Group's expected margin range.

The other operating income for 2Q2014 relates mainly to a government grant while that of 2Q2013 was attributed to compensation by Sea Tel to the Group in connection with the termination of an order for which materials had already been purchased by the Group.

In line with increased business activities, especially in the East Asia region, our selling and distribution expenses increased by 34.0% from US$194,000 in 2Q2013 to US$260,000 in 2Q2014.

Our administrative expenses increased by 24.3% from US$404,000 in 2Q2013 to US$502,000 in 2Q2014, due mainly to higher manpower costs and increased rental costs.

Our other operating expenses increased by 9.4% from US$577,000 in 2Q2013 to US$631,000 in 2Q2014, principally as a result of increased amortisation of intangible assets following the completion of several projects in FY2013 as well as higher laboratory expenses incurred in conjunction with increased production activities.

Our finance expenses decreased by 14.7% from US$75,000 in 2Q2013 to US$64,000 in 2Q2014, due primarily to decreased borrowings over the relevant periods under consideration, though a short term borrowing of about US$610,000 was drawndown towards the end of 2Q2013.

Consequence to the above, our Group reversed its bottom line from a net loss of US$396,000 in 2Q2013 to a net profit after tax of US$81,000 in 2Q2014 and from a net loss after tax of US$239,000 in 1H2013 to a net profit after tax of US$445,000 in 1H2014.

(b) Review of financial position of the Group as at 30 September 2013 (relative to that as at 31 March 2013)

The increase in our property, plant and equipment was due principally to renovation costs incurred in September 2013 as we prepared to relocate our office.

The increase in our intangible assets was attributed mainly to the development expenditures as we continue to develop our proprietary products, including new spin-off products.

The increase in our inventories was mainly attributed to increased finished goods and raw materials purchased in meeting increased production needs.

The decrease in our trade receivables was largely due to collections received in 2Q2014. As at the date of this announcement, we had received payments aggregating US$1.3 million, thereby reducing the trade receivables of US$2.9 million as at 30 September 2013 to US$1.6 million.

The higher amount due from customers for contract work as at 30 September 2013 relative to that of 31 March 2013 was due to work done but yet to be billed in respect of certain design services.

The increase in our other receivables, deposits and prepayments in 2Q2014 were due mainly to prepayments to suppliers for goods and services to be provided as well as additional deposits placed with the landlord of the new office premises.

The increase in our trade payables was in line with increased business activities while the increase in advances received from customers were attributable to deposits placed by certain customers for some special projects. The decreases in other payables and accruals as well as provisions were due to payments made in 2Q2014.

Following the rollover of a borrowing in 1Q2014, the amount involved had been reclassified from ‘current’ to ‘non-current’ since 1Q2014.

The increase in share capital was attributed to the exercise of 200,000 employees’ share options by employees of the Group in 2Q2014 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) decreased from 14.7% as at 31 March 2013 to 14.5% as at 30 September 2013;
2. the working capital position of the Group more than doubled from US$1.9 million as at 31 March 2013 to US$4.0 million as at 30 September 2013, though its operating cash position was reversed from a net cash of US$410,000 generated from operations in 2Q2013 to a net cash of US$235,000 used in operations in 2Q2014 due principally to the purchase of inventories as a result of increased production needs; and
3. the net asset value of the Group improved by US$0.5 million or 2.5% from US$18.8 million as at 31 March 2013 to US$19.3 million as at 30 September 2013, with the net asset value per ordinary share enhanced from 1.59 US cents per share as at 31 March 2013 to 1.63 US cents per share as at 30 September 2013.

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

On the business and product development front:

1. our SF2500 maritime terminal has recently won the coveted Thuraya’s Best Performing Narrowband Product Award at Thuraya’s annual PDF Event in Dubai; and
2. our Saber^{TM} Ranger – V2 and M2M terminals had both just been type approved in Japan with the highly accredited TELEC certification procured. It is worthwhile noting that the procurement of this certification involved a very stringent process compared to the many other countries’ specific regulatory type approvals,

Apart from attesting to our products’ quality, the award and certification mentioned above open up new avenues and markets for us, particularly the very lucrative and exciting market in Japan.

On the business activities front, barring any unforeseen circumstance, our Group expects its performance in the second half of the financial year ending 31 March 2014 (“2H2014”) to significantly better than that of 1H2014 and its performance for FY2014 to be significantly outperform that of FY2013 in view of the following considerations:

1. The robust sales of our maritime products, following the built up in 1H2014, are expected to continue. As at the date of this announcement, we have an order book of about US$3.5 million (which is in excess of the turnover of US$3.3 million attained in 2Q2014) to be fulfilled in 2H2014;
2. The imminent introduction of several of our new products in 2H2014, thereby increasing the streams of our revenue sources;
3. The design contracts we currently have in the pipeline, which aggregate about US$1.3 million with the bulk of which to be recognized as revenue in 2H2014; and

4. The possible monetization of some of our intellectual properties.

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 2Q2014.

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 2013 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

13 November 2013