ADDVALUE TECHNOLOGIES LTD
Company Registration No. 199603037H

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH FINANCIAL QUARTER AND THE FULL FINANICAL YEAR ENDED 31 MARCH 2012 ("4Q2012" AND "FY2012", RESPECTIVELY)

PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF THE FOURTH 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 functional currency and presentation currency of the Company and its subsidiaries have been changed from Singapore dollars ("S$") to United States dollars ("US$") since 1 April 2011 based on the rationale explained in paragraph 5 of this announcement (the "Change in Functional and Presentation Currency"). The effect of the Change in Functional and Presentation Currency has been accounted for each financial quarter of FY2012, and shall continue to be accounted for prospectively in respect of all financial quarters for financial years subsequent to FY2012.

Accordingly, the comparatives of the financial statements of the Company and of the Group for 4Q2012 and FY2012 are re-presented in US$. Specifically, the assets and liabilities of the Company and of the Group as at 31 March 2011 are translated from S$ to US$ at exchange rate ruling at that date while the income and expense item of the Company and of the Group for the three-month and twelve-month periods ended 31 March 2011 are translated at the average rate during the period with the resultant exchange difference recognized directly in equity as at 31 March 2011.

	The Group					
	4th Quarter		%	Year-To-Date		%
	4Q2012	4Q2011 (Re-presented)	Change	**FY2012**	FY2011 (Re-presented)	Change
	US$'000	US$'000		**US$'000**	US$'000	
Revenue	**2,456**	3,227	(23.9%)	**10,591**	15,234	(30.5%)
Cost of sales	**(1,389)**	(1,566)	(11.3%)	**(5,513)**	(7,767)	(29.0%)
Gross profit	**1,067**	1,661	(35.8%)	**5,078**	7,467	(32.0%)
Other operating income	**60**	91	(34.1%)	**131**	137	(4.4%)
Selling & Distribution expenses	**(168)**	(129)	30.2%	**(822)**	(471)	74.5%
Administrative expenses	**(280)**	(469)	(40.3%)	**(1,329)**	(1,204)	10.4%
Other operating expenses	**(576)**	(339)	69.9%	**(1,992)**	(1,960)	(1.6%)
Profit from operations	**103**	815	(87.4%)	**1,066**	3,969	(73.1%)
Finance expenses	**(64)**	(172)	(62.8%)	**(329)**	(429)	(23.3%)
Finance income	**-**	216	(100.0%)	**-**	216	(100.0%)
Profit before tax	**39**	859	(95.5%)	**737**	3,756	(80.4%)
Taxation	**178**	1,902	(90.6%)	**71**	1,902	(96.3%)
Profit for the period/year	**217**	2,761	(92.1%)	**808**	5,658	(85.7%)
Other comprehensive expense	**-**	-	-	**-**	-	-
Fair value gain/(loss) on available-for-sale financial assets	**3**	(38)	107.9%	**3**	(38)	107.9%
Currency translation differences	**-**	964	(100.0%)	**-**	964	(100.0%)
Total comprehensive income for the period/year	**220**	3,687	(94.0%)	**811**	6,584	(87.7%)
Attributable to:						
Equity holders of the Company	**220**	3,687	(94.0%)	**811**	6,584	(87.7%)
Non-controlling interests	**-**	-		**-**	-	
Total comprehensive income for the period/year	**220**	3,687	(94.0%)	**811**	6,584	(87.7%)

"4Q2011" denotes the fourth financial quarter period ended 31 March 2011 in respect of FY2011
"FY2011" denotes the financial year ended 31 March 2011
"% Change" denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure

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

	4th Quarter		%	Year-To-Date		%
	4Q2012	4Q2011 (Re-presented)	Change	FY2012	FY2011 (Re-presented)	Change
	US$'000	US$'000		**US$'000**	US$'000	
Profit before tax has been arrived at after charging/(crediting):						
Depreciation and amortisation	368	330	11.5%	1,356	1,287	5.4%
Foreign exchange loss/(gain) (net)[(1)]	105	(9)	N/m	69	153	(54.9%)
Interest expense	64	172	(62.8%)	329	429	(23.3%)
Interest income	-	(216)	(100.0%)	-	(216)	(100.0%)
Inventories written off	-	20	(100.0%)	-	20	(100.0%)
Allowance for doubtful trade receivables	-	11	(100.0%)	-	11	(100.0%)
Recovery of doubtful trade receivables	(3)	-	N/m	(3)	-	N/m
Doubtful trade receivables written off	2	-	N/m	2	-	N/m

"% Change" denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure
"N/m" denotes not meaningful

Note:
(1) The Group's revenues and purchases are denominated principally in US$ and to a much lesser extent in Euro while its overhead expenses, comprising mainly staff costs and administration expenses, as well as its prevailing loans from banks and financial institutions are denominated in S$. In respect of the revenues denominated in US$ or Euro, a price adjustment mechanism is always built into the relevant supply contract to make up for any material undue foreign exchange movements.

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

	The Group		The Company	
	As at 31 Mar 2012	As at 31 Mar 2011 (Re-presented)	**As at 31 Mar 2012**	As at 31 Mar 2011 (Re-presented)
	US$'000	US$'000	**US$'000**	US$'000
Non-current assets				
Plant and equipment	**581**	681	**-**	-
Subsidiaries	**-**	-	**14,345**	8,075
Intangible assets	**12,581**	10,530	**-**	-
Staff loan receivable	**54**	67	**-**	-
Deferred tax assets	**2,014**	1,944	**-**	-
	15,230	13,222	**14,345**	8,075
Current assets				
Inventories	**2,196**	1,627	**-**	-
Amount due from customers for contract work	**647**	668	**-**	-
Trade receivables	**3,334**	3,285	**-**	-
Other receivables, deposits and prepayments	**836**	875	**4**	-
Available-for-sales financial asset	**6**	3	**6**	3
Due from subsidiaries (non-trade)	**-**	-	**3,890**	4,253
Cash and cash equivalents	**374**	609	**7**	13
	7,393	7,067	**3,907**	4,269
Total assets	**22,623**	20,289	**18,252**	12,344
Current liabilities				
Trade payables	**1,333**	1,338	**-**	-
Other payables and accruals	**1,478**	1,698	**483**	699
Borrowings	**162**	1,473	**-**	-
Advances received from customers	**56**	36	**-**	-
Due to subsidiaries (non-trade)	**-**	-	**106**	123
	3,029	4,545	**589**	822
Net current assets	**4,364**	2,522	**3,318**	3,447
Non-current liabilities				
Borrowings	**(2,201)**	(2,329)	-	-
Net assets	**17,393**	13,415	**17,663**	11,522
Equity attributable to the Company's equity holders				
Share capital	**56,065**	40,488	**56,065**	39,741
Capital reserves	**877**	99	**130**	99
Fair value adjustment reserve	**(97)**	(90)	**(97)**	(90)
Currency translation reserve	**-**	1,463	**-**	1,667
Accumulated losses	**(39,452)**	(28,545)	**(38,435)**	(29,895)
Total equity	**17,393**	13,415	**17,663**	11,522

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

	The Group	
	As at 31 Mar 2012	As at 31 Mar 2011 (Re-presented)
	US$'000	US$'000
Amount repayable in one year or less or on demand		
Secured(1)	**36**	1,254
Unsecured	**126**	219
	162	1,473
Amount repayable after one year		
Secured(1)	**2,201**	2,160
Unsecured	**-**	169
	2,201	2,329

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 statement of cash flows (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group			
	4th Quarter		Year-To-Date	
	4Q2012	4Q2011 (Re-presented)	**FY2012**	FY2011 (Re-presented)
	US$'000	US$'000	**US$'000**	US$'000
OPERATING ACTIVITIES				
Profit before tax	**39**	859	**737**	3,756
Adjustments for:-				
Amortisation of intangible assets	**290**	251	**1,022**	964
Depreciation of plant and equipment	**78**	79	**334**	323
Interest expense	**64**	172	**329**	429
Fair value of share options recognised as expenses	**-**	18	**20**	55
Operating profit before changes in working capital	**471**	1,379	**2,442**	5,527
Changes in working capital				
Inventories	**(65)**	102	**(569)**	(80)
Trade and other receivables	**(321)**	(536)	**(11)**	(984)
Amount due from customers for contract work	**123**	(629)	**21**	(630)
Advances received from customers	**50**	(23)	**20**	(1,819)
Development expenditure	**(705)**	(598)	**(2,980)**	(2,601))
Trade and other payables	**647**	191	**(224)**	(1,085)
Cash generated from/(used in) operations	**200**	(114)	**(1, 301)**	(1,672)
Interest received	**-**	-	**-**	-
Income tax paid	**-**	-	**-**	-
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	***200***	*(114)*	***(1,301)***	*(1,672)*
INVESTING ACTIVITIES				
Purchase of plant and equipment	**(45)**	(124)	**(234)**	(176)
Purchase of computer software	**(93)**	-	**(93)**	(7)
Repayment from /(advances to) staff	**-**	(63)	**13**	(63)
NET CASH USED IN INVESTING ACTIVITIES	***(138)***	*(187)*	***(314)***	*(246)*
FINANCING ACTIVITIES				
Net proceeds from issue of shares	**37**	-	**3,918**	2,220
Proceeds from / (redemption of) Redeemable Preference Shares issued by subsidiary	**-**	747	**(771)**	747
Repayments of loans - net	**20**	215	**(1,438)**	(186)
Net cash outflow from disposal of subsidiary	**-**	N/m	**-**	-
Interest paid	**(64)**	(172)	**(329)**	(429)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	***(7)***	*790*	***1,380***	*2,352*
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**55**	489	**(235)**	434
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**319**	120	**609**	175
CASH AND CASH EQUIVALENTS AT END OF YEAR	**374**	609	**374**	609

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 immediately 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 2011 (Re-presented)	40,488	(28,545)	99	(90)	1,463	-	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[1] (net of share issue expenses)	2,778	-	-	-	-	-	2,778
- Pursuant to exercise of share options under the ESOS Scheme (as defined hereafter)	1,140	-	-	-	-	-	1,140
Redemption of Preference shares issued by a subsidiary	(747)	(24)	-	-	-	-	(771)
Redemption of Preference shares out of profits	-	(747)	747	-	-	-	-
Share options expenses	-	-	20	-	-	-	20
Total comprehensive income for the financial year	-	808	-	3	-	-	811
Balance as at 31 March 2012	56,065	(39,452)	877	(97)	-	-	17,393

	The Group						
	Share capital	Accumulated losses	Capital reserves	Fair value adjustment reserves	Currency translation reserve	Non-controlling interests	Total
	-----------------------	-----------------------	-----------------------	Re-presented	-----------------------	-----------------------	
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 April 2010	37,521	(34,203)	44	(52)	499	N/m[2]	3,809
Issuance of new shares - net of share issue expenses	2,220	-	-	-	-	-	2,220
Issuance of redeemable preference shares	747	-	-	-	-	-	747
Share options expenses	-	-	55	-	-	-	55
Total comprehensive income for the financial year	-	5,658	-	(38)	964	-	6,584
Balance as at 31 March 2011	40,488	(28,545)	99	(90)	1,463	N/m[2]	13,415

Notes:
(1) "Placement" refers to the placement carried out by the Company in 1Q2012 which raised a net proceeds of about US$2.8 million
(2) "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 2011 (Re-presented)	39,741	(29,895)	99	(90)	1,667	11,522
Effect of Change in Functional Currency	12,406	(10,739)	11	(10)	(1,667)	-
Balance restated as at 1 April 2011	52,147	(40,634)	110	100	-	11,522
Issuance of new shares :						
- Pursuant to the Placement[(1)] (net of share issue expenses)	2,778	-	-	-	-	2,778
- Pursuant to exercise of share options under the ESOS Scheme (as defined hereafter)	1,140	-	-	-	-	1,140
Share options expenses	-	-	20	-	-	20
Total comprehensive income for the financial year	-	2,199	-	3	-	2,202
Balance as at 31 March 2012	56,065	(38,435)	130	(97)	-	17,663

	The Company					
	Share capital	Accumulated losses	Capital reserves	Fair value adjustment reserves	Currency translation reserve	Total
	Re-presented					
	US$'000	US$'000	US$ '000	US$'000	US$'000	US$'000
Balance as at 1 April 2010	37,521	(35,192)	44	(52)	845	3,166
Issuance of new shares – net of share issue expenses	2,220	-	-	-	-	2,220
Share options expenses	-	-	55	-	-	55
Total comprehensive income for the financial year	-	5,297	-	(38)	822	6,081
Balance as at 31 March 2011	39,741	(29,895)	99	(90)	1,667	11,522

Note:
(1) "Placement" refers to the placement carried out by the Company in 1Q2012 which raised a net proceeds of about US$2.8 million

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 immediately preceding financial year.

(A) Share capital of the Company

	No of shares	US$'000
Balance as at 1 April 2011		
- As re-presented	997,905,813	39,741
- Effect on change in functional currency		12,406
Restated opening balance at 1 April 2011	997,905,813	52,147
Issuance of new ordinary shares each at S$0.04 per share pursuant to a placement	86,000,000	2,778
Issuance of new ordinary shares each at S$0.035 per share pursuant to the exercise of shares options granted under the ESOS Scheme	10,700,000	304
Balance as at 30 June 2011	1,094,605,813	55,229
Issuance of new ordinary shares each at S$0.035 per share pursuant to the exercise of shares options granted under the ESOS Scheme	9,460,000	274
Balance as at 30 September 2011	1,104,065,813	55,503
Issuance of new ordinary shares each at S$0.035 per share pursuant to the exercise of shares options granted under the ESOS Scheme	20,000,000	525
Balance as at 31 December 2011	1,124,065,813	56,028
Issuance of new ordinary shares each at S$0.035 per share pursuant to the exercise of shares options granted under the ESOS Scheme	850,000	37
Balance as at 31 March 2012	**1,124,915,813**	**56,065**

B) Share options

As at 31 March 2012, there were 62,960,000 outstanding share 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 (31 March 2011: 120,870,000).

Save as disclosed, the Company has no other outstanding convertibles and treasury shares as at 31 March 2012 and 31 March 2011.

Save for the exercise of share options under the ESOS Scheme, there was no movement in the share capital of the Company during 4Q2012.

1.(d)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 Mar 2012	As at 31 Mar 2011
Total number of issued ordinary shares (excluding treasury shares)	**1,124,915,813**	997,905,813

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 has had no treasury shares as at 31 March 2012. Neither was there any sale, transfer, disposal, cancellation and/or use of treasury shares by the Company during 4Q2012.

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.

Save as disclosed in paragraph 5 below, 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 2011.

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.

Save for accounting for the Change in Functional and Presentation Currency and the adoption of the New and Revised FRS (as defined hereafter), the Group and the Company have applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those disclosed in the audited financial statements for the financial year ended 31 March 2011.

The Change in Functional and Presentation Currency has been adopted as the Company is of the opinion that US$ best reflects the current and prospective economic substance of the underlying transactions and circumstances of the Group, given that:

(1) the sale of products of the Group (as contrasted against design income) has, since FY2010, dominated and is expected to continue to dominate the revenue stream of the Group; and
(2) most of the revenue and purchases of the Group had been and are expected to continue to be transacted in US$ (although most of the Group's administrative expenses are expected to continue to be denominated in S$).

The Group also adopted the following new and revised FRS relevant to its operations, which took effect from the financial year beginning on or after 1 April 2011 (the "New and Revised FRS"):

(1) INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments
(2) Revised FRS 24 Related Party Disclosures
(3) Amendments to INT FRS 114 Prepayments of a Minimum Funding Requirement
(4) INT FRS 115 Agreements for the Construction of Real Estate

The financial effects attributed to the Change in Functional and Presentation Currency are highlighted in the opening remarks appearing at the onset of this announcement while 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 4Q2012.

6. Earnings per ordinary shares of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	As at 31 Mar 2012 US$'000	As at 31 Mar 2011 US$'000
Net profit attributable to shareholders	**811**	5,620
Earning per share		
Basic (US cents)	**0.07 cents(1)**	0.58 cents(2)
Diluted (US cents)	**0.07 cents(3)**	0.52 cents(4)

Notes:
(1) Based on the adjusted weighted average number of 1,089,973,217 ordinary shares.
(2) Based on the adjusted weighted average number of 965,456,498 ordinary shares.
(3) Based on the adjusted weighted average number of 1,152,933,217, ordinary shares being the sum of the weighted average number of 1,089,973,217 and the number of outstanding share options granted under the ESOS Scheme as at 31 March 2012.
(4) Based on the adjusted weighted average number of 1,086,326,498 ordinary shares, being the sum of the weighted average number of 965,456,498 and the number of outstanding share options granted under the ESOS Scheme as at 31 March 2011.

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

	The Group		**The Company**	
	As at 31 Mar 2012 US$'000	As at 31 Mar 2011 US$'000	**As at 31 Mar 2012 US$'000**	As at 31 Mar 2011 US$'000
Net asset value as at end of financial year	**17,393**	13,415	**17,663**	11,522
Net asset value per ordinary share as at the end of financial year (US cents)	**1.55 cents(1)**	1.34 cents(2)	**1.57 cents(1)**	1.15 cents(2)

Notes:
(1) Based on 1,124,915,813 issued shares.
(2) Based on 997,905,813 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 earnings 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, SingTel, Globe Wireless and Satlink.

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 4Q2012 (relative to 4Q2011) and FY2012 (relative to FY2011)</u>

Turnover

The Group registered a reduction in turnover by about US$0.77 million or 23.9% from about US$3.2 million in 4Q2011 to about US$2.5 million in 4Q2012 and by about US$4.6 million or 30.5% from about US$15.2 million in FY2011 to about US$10.6 million in FY2012. The lower turnovers were mainly attributed to lower product sales and design incomes.

The decreases in revenue from product sales were in turn attributed mainly to the following factors:

(1) Higher sale of about US$2.1 million worth of SABRE™ 1 BGAN terminals in FY2011 in connection with the Philippines' National Elections compared to about US$1.0 million in FY2012 in connection with an election held in an African country.

(2) The delay in the introduction of the new Thuraya-centric low cost maritime terminal, SF2500, till 1Q2013 (from the initial planned 4Q2012).

(3) The less positive global economic outlook, prompted especially by uncertainties due to the euro zone debt crisis. This has slowed down the commitment of new instalments and replacement of equipment with dealers delaying the replenishment of stock.

(4) A number of re-structuring of certain key players (concerning both the Very-Small-Aperture-Terminal (VSAT) and mobile satellite communications operators and their major distributors) in the satellite communications industry. This has caused a new paradigm shift, which in turn has resulted in many of the existing and prospective buyers to hold back commitments while they await the shift to percolate through.

(5) The need for more time to cultivate the fishery market demand while the satellite communications operators formulate new air time pricing packages to incentivize the use of the new generation satellite communications equipment.

Profitability

Consequence to the lower turnovers, the Group registered lower gross profits of about US$1.1 million in 4Q2012 compared to that of about US$1.7 million in 4Q2011 and of about US$5.1 million in FY2012 compared to that of about US$7.5 million in FY2011. Notwithstanding that the Group's gross profit margin was reduced from about 51.5% in 4Q2011 to about 43.4% in 4Q2012, due principally to the sales of proportionately more low yielding products in 4Q2012 compared to 4Q2011, the Group maintained its gross profit at about 47.9% for FY2012 compared to that of about 49.0% for FY2011.

The decrease in our operating income for 4Q2012 compared to that of 4Q2011 was attributed largely to a higher gain from write-off of other payables being recognised in 4Q2011.

In tandem with our continued participation in more exhibitions and partners' conferences and increased promotional, sales and marketing activities to garner greater product awareness for our wider range of products since 3Q2011, our selling and distribution expenses increased by about US$39,000 or 30.2% from about US$129,000 in 4Q2011 to about US$168,000 in 4Q2012 and by about US$351,000 or 74.5% from about US$471,000 in FY2011 to about US$822,000 in FY2012.

Notwithstanding the decrease in our administrative expenses for 4Q2012 relative to 4Q2011, due principally to lower annual leave provision and professional fees incurred, the administration expenses of the Group increased moderately in FY2012 relative to FY2011 chiefly as a result of three factors: namely, an one-off long service award given out in August 2011 to a sizable pool of loyal staff; the increase in the provision for directors' fees following the addition of a new Independent Director; and the increase in manpower costs.

The increase in our other operating expenses for 4Q2012 relative to 4Q2011 was attributed mainly to 4Q2012's unrealised foreign exchange translation loss, coupled with increases in the amortisation of the land mobile development expenses (following the commercialization of the land mobile terminals in 3Q2012) and lab expenses. With regard to the Group's exposure to Euro, this has always been and is expected to continue to be mitigated for reason as explained in Note (1) to paragraph 1.(a)(ii).

The decrease in the Group's finance expenses by about US$108,000 or 62.8% from about US$172,000 in 4Q2011 to about US$64,000 in 4Q2012 was due principally to loan repayments. The finance income for 4Q2011 relates to the fair valuing of non-current borrowings to their respective present values.

After taking into account of the applicable deferred tax adjustments, our Group recorded a net profit after tax of about US$0.2 in 4Q2012 relative to that of about US$2.8 million in 4Q2011 and of about US$0.8 million in FY2012 relative to that of about US$5.6 million in FY2011.

(b) Review of financial position of the Group as at 31 March 2012 (relative to that as at 31 March 2011)

The decrease in our 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 expenditure 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 built up for buffer stock for a wider range of our products.

The slight increase in the trade receivables in relation to the turnover was attributed to the extension of longer credit terms to certain valued customers.

The amount due from customers for contract work was attributed principally to work done but yet to be billed in respect of the design contracts procured.

Following repayments made during FY2012, the Group registered decreases in trade payables, other payables, accruals and borrowings from banks and financial institution. Such decreases coupled with the increase in development expenditure principally resulted in a net cash flow used in operations being recorded by the Group in FY2012, albeit at an improved amount relative to that of FY2011.

Consequence to the above, the Placement as well as the employees' share options exercised during FY2012 in respect of the ESOS Scheme:

(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) reduced from about 28.3% as at 31 March 2011 to about 13.6% as at 31 March 2012;

(2) the working capital position of the Group improved from about US$2.5 million as at 31 March 2011 to about US$4.4 million as at 31 March 2012;

(3) the net tangible assets of the Group improved from about US$2.9 million as at 31 March 2011 to about US$4.8 million as at 31 March 2012; and

(4) the net asset value of the Group improved by about US$4.0 million or 29.7% from about US$13.4 million as at 31 March 2011 to about US$17.4 million as at 31 March 2012, with the net asset value per ordinary share enhanced from about 1.34 US cents per share as at 31 March 2011 to about 1.55 US cents per share as at 31 March 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

With regard to product sales:

1. In connection with the Inmarsat-centric products, we expect better sales of our Fleetbroadband terminals in FY2013 compared to that in FY2012. The progress of our contract with Sea Tel for the design and supply of a range of customised Fleetbroadband terminals (the "New OEM Terminals") is on track, with us delivering some of the New OEM Terminals in 1Q2013 to be followed by more units to be shipped in 2Q2013. Separately, in response to a repeat order

received in 4Q2012, and with more follow-on orders expected to be placed, we expect to deliver sizable quantities of an existing OEM Fleetbroadband terminal in the coming quarters. With Inmarsat now poised to provide a more flexible and competitive air time pricing for the small vessel market, we also expect stronger sales of our smaller Fleetbroadband terminal, namely Skipper 150, in FY2013 compared to FY2012.

2. In connection with the Thuraya-centric products, we received a confirmed order for a new low-cost maritime terminal, SF2500, which we expect to commence shipment from 1Q2013. Together with Seagull5000i, these two terminals will be our flagship terminals for small fishing vessels that require voice communications, tracking and emergency response functions. Riding on the aggressive marketing and promotion plan by Thuraya, we expect strong demand for these terminals to be generated out of the East Asia market.

With regard to design income, we are on track in our efforts to develop new terminals and new applications for the continue widening of our portfolio of products and applications for the land and maritime arenas. We expect the development of some of these terminals to contribute positively to our performance for FY2013.

The recent reorganizations and consolidations of some major industry players have led to a re-balancing of the market forces at play in the mobile satellite communications industry. This new paradigm shift has elevated Addvalue's niche role in the mobile satellite communications industry and, as a consequence, has provided the Group a propitious condition to strengthen its strategic value within the eco-realm; we intend to explore and exploit the new opportunities so accorded by the paradigm shift to further entrench our position as a highly cost-effective and value-for-money mobile satellite terminals provider.

Notwithstanding the above, the current ongoing uncertainties faced globally, characterised by the euro zone debt crisis, weak US economic recovery and a slowdown in China's growth, are expected to have a knock-on effect on the industry's sales of satellite communications terminals as many existing and potential distributors and end-users would adopt a wait-and-see attitude before making any commitment on new purchases.

Considering the above as a whole and barring any unforeseen circumstances, the Group is optimistic about its performance for FY2013.

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 4Q2012.

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 confirmation pursuant to Rule 705(5). (Not required for announcement on full year results).

Not applicable.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) By geographical segments

FY2012	**Europe**	**North America**	**Asia**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Revenue				
Total revenue from external customers	1,556	5,566	3,469	10,591
% Contribution	*15%*	*52%*	*33%*	*100%*
Segment result	397	2,065	(67)	2,395
Unallocated expenses				(1,460)
Other income				131
Finance expense- net				(329)
Profit before tax				737
Taxation				71
Profit for the year				808
Segment assets				
By location of customers				
- Segment assets	1,229	427	18,953	20,609
-Unallocated assets				2,014
Total assets				22,623
By location of assets				
- Segment assets	692	230	19,687	20,609
-Unallocated assets				2,014
				22,623
Segment liabilities	319	42	4,869	5,230
Other information				
Capital expenditure				
- Plant and equipment				234
-Computer software				93
Depreciation of plant and equipment and amortisation of intangible assets				1,271
Amortisation of computer software				85

FY2011	**Europe**	**North America**	**Asia**	**Total**
	Re-presented	**Re-presented**	**Re-presented**	**Re-presented**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Revenue				
Total revenue from external customers	3,987	5,532	5,715	15,234
% Contribution	*26%*	*36%*	*38%*	*100%*
Segment result	2,151	2,803	112	5,066
Unallocated expenses				(1,235)
Other income				137
Finance expense				(428)
Finance income				216
Profit before tax				3,756
Income tax credit				1,902
Profit for the year				**5,658**
Segment assets				
By location of customers				
- Segment assets	1,560	820	15,965	18,345
- Unallocated assets				1,944
				20,289
By location of assets				
- Segment assets	783	792	16,770	18,345
- Unallocated assets				1,944
				20,289
Segment liabilities	600	61	6,213	6,874
Other information				
Capital expenditure				
- Plant and equipment				183
Depreciation of plant and equipment and amortisation intangible assets				1,210
Amortisation of computer software				77

(b) By business segments

FY2012	**License and Consultancy** US$'000	**Design Services** US$'000	**Sales** US$'000	**Total** US$'000
Total revenue from external customers	-	862	9729	10,591
% Contribution	*0%*	*8%*	*92%*	*100%*
Segment assets	6	13,604	6,999	20,609
Unallocated assets				2,014
Total assets				22,623
Unallocated capital expenditure				327
Total capital expenditure				327

FY2011	**License and Consultancy** Re-presented US$'000	**Design Services** Re-presented US$'000	**Sales** Re-presented US$'000	**Total** Re-presented US$'000
Total revenue from external customers	-	906	14,328	15,234
% Contribution	*0%*	*6%*	*94%*	*100%*
Segment assets	75	12,106	6,164	18,345
Unallocated assets				1,944
Total assets				20,289
Unallocated capital expenditure				183
Total capital expenditure				183

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earning by the business or geographical segments.

By geographical segments

While the percentage contribution to revenue from North America improved from about 36.0% in FY2011 to about 52.0% in FY2012, sales from that region was maintained at about US$5.6 million over the two financial years under consideration.

The decreases in contribution to revenue (both in terms of percentage and absolute amount) from the Europe and Asia regions in FY2012 relative to FY2011 were attributed mainly to uncertainties prompted by the euro zone debt crisis as well as delay in the new air time pricing formulation, which targets principally the fishery markets in Europe and Asia, by the satellite communications operators. The higher revenue generated from Asia in FY2011 was also the result of the one-off exceptional supply of terminals in meeting demand required by the Philippine municipal elections in 2011.

By business segments

The supply of products (relative to design income) has continued to drive the revenue of the Group both in FY2011 and FY2012, and, barring unforeseen circumstances, is expected to continue to subsist in the foreseeable future.

17. Breakdown of sales

	FY2012 US$'000	FY2011 US$'000	% change
(i) Turnover reported for:			
- First half year ended 30 September	**5,616**	8,955	(37.3%)
- Second half year ended 31 March	**4,975**	6,279	(20.8%)
	10,591	15,234	(30.5%)
(ii) Net profit/(loss) reported for:			
- First half year ended 30 September	**417**	2,484	(83.2%)
- Second half year ended 31 March	**391**	3,174	(87.7%)
	808	5,658	(85.7%)

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	**Age**	**Family relationship with any director and/or substantial shareholder**	**Current position and duties, and the year the position was held**	**Details of changes in duties and position held, if any, during the year**
Nil				

BY ORDER OF THE BOARD

Dr Colin Chan Kum Lok
Chairman & CEO

30 May 2012