

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 MARCH 2009 ("FY2009")**

**PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF YEAR RESULTS**

1.(a)(i) An income statement for the group together with a comparative statement for the corresponding period of the immediate preceding financial year

|   | The Group         |                   |             |
|---|-------------------|-------------------|-------------|
|   | FY2009<br>S\$'000 | FY2008<br>S\$'000 | %<br>Change |
| <b>Revenue</b>  | <b>5,796</b>      | 10,698            | (45.8)      |
| Cost of sales   | <b>(2,378)</b>    | (4,041)           | (41.2)      |
| <b>Gross profit</b>                                       | <b>3,418</b>      | 6,657             | (48.7)      |
| Other operating income                                    | <b>290</b>        | 136               | 113.2       |
| Selling and distribution expenses                         | <b>(677)</b>      | (779)             | (13.1)      |
| Administration expenses                                   | <b>(1,452)</b>    | (1,861)           | (22.0)      |
| Other operating expenses                                  | <b>(3,731)</b>    | (1,603)           | 132.8       |
| <b>(Loss)/profit from operations</b>                      | <b>(2,152)</b>    | 2,550             | N/m         |
| Finance expenses  | <b>(571)</b>      | (368)             | 55.2        |
| <b>(Loss)/profit before tax</b>                           | <b>(2,723)</b>    | 2,182             | N/m         |
| Taxation  | <b>(82)</b>       | -                 | N/m         |
| <b>Net (loss)/profit attributable to the shareholders</b> | <b>(2,805)</b>    | 2,182             | N/m         |

"FY2008" denotes the full year financial period ended 31 March 2008

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

"N/m" denotes not meaningful

"N/M" denotes not material, being less than 0.5%

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

|  | <b>The Group</b> |         |         |
|--|------------------|---------|---------|
|  | <b>FY2009</b>    | FY2008  | %       |
|  | <b>S\$'000</b>   | S\$'000 | Change  |
| Profit before tax has been arrived at after charging/(crediting):- |                  |         |         |
| Write-off/impairment for doubtful debts                            | <b>1,073</b>     | 61      | 1,659.0 |
| Write-off on construction work-in-progress                         | <b>1,000</b>     | 721     | 38.7    |
| Depreciation and amortisation                                      | <b>1,214</b>     | -       | N/m     |
| Foreign exchange loss/(gain) (net)                                 | <b>371</b>       | (263)   | N/m     |
| Interest expense   | <b>571</b>       | 368     | 55.2    |
| Interest income  | <b>(13)</b>      | (94)    | (86.2)  |

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

*"N/m" denotes not meaningful*

*"N/M" denotes not material, being less than 0.5%*

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

|  | The Group                   |                             | The Company                 |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | 31 March<br>2009<br>S\$'000 | 31 March<br>2008<br>S\$'000 | 31 March<br>2008<br>S\$'000 | 31 March<br>2008<br>S\$'000 |
| <b>Non-current assets</b>                                  |                             |                             |                             |                             |
| Property, plant and equipment                              | 1,102                       | 1,430                       | -                           | -                           |
| Subsidiaries   | -                           | -                           | 4,579                       | 4,610                       |
| Associates   | -                           | -                           | -                           | -                           |
| Intangible assets  | 8,976                       | 6,057                       | -                           | -                           |
|  | <b>10,078</b>               | <b>7,487</b>                | <b>4,579</b>                | <b>4,610</b>                |
| <b>Current assets</b>                                      |                             |                             |                             |                             |
| Inventories  | 1,239                       | 1,407                       | -                           | -                           |
| Construction contract work-in-progress                     | 5,276                       | 4,955                       | -                           | -                           |
| Trade receivables  | 53                          | 1,391                       | -                           | -                           |
| Other receivables, deposits and prepayments                | 323                         | 809                         | 149                         | 692                         |
| Due from subsidiaries (non-trade)                          | -                           | -                           | 2,344                       | 2,372                       |
| Cash and cash equivalents                                  | 40                          | 2,428                       | -                           | 1,400                       |
|  | <b>6,931</b>                | <b>10,990</b>               | <b>2,493</b>                | <b>4,464</b>                |
| <b>Total assets</b>  | <b>17,009</b>               | <b>18,477</b>               | <b>7,072</b>                | <b>9,074</b>                |
| <b>Current liabilities</b>                                 |                             |                             |                             |                             |
| Trade payables   | 1,795                       | 823                         | -                           | -                           |
| Other payables and accruals                                | 4,693                       | 2,871                       | 868                         | 710                         |
| Loan from financial institutions                           | 4,021                       | 5,110                       | 2,431                       | 2,256                       |
| Advance receipts   | 814                         | 31                          | -                           | -                           |
| Due to subsidiaries (non-trade)                            | -                           | -                           | 183                         | 207                         |
| Provision for tax  | 5                           | 5                           | 5                           | 5                           |
| Bank overdrafts  | 601                         | 1,748                       | 601                         | 1,748                       |
|  | <b>11,929</b>               | <b>10,588</b>               | <b>4,088</b>                | <b>4,926</b>                |
| <b>Net current (liabilities)/assets</b>                    | <b>(4,998)</b>              | <b>402</b>                  | <b>(1,595)</b>              | <b>(462)</b>                |
| <b>Net assets</b>  | <b>5,080</b>                | <b>7,889</b>                | <b>2,984</b>                | <b>4,148</b>                |
| <b>Equity attributable to the Company's equity holders</b> |                             |                             |                             |                             |
| Share capital  | 59,297                      | 59,297                      | 59,297                      | 59,297                      |
| Capital reserve  | 65                          | 65                          | 65                          | 65                          |
| Share issue expenses                                       | (135)                       | (131)                       | (135)                       | (131)                       |
| Accumulated losses   | (54,147)                    | (51,342)                    | (56,243)                    | (55,083)                    |
|  | <b>5,080</b>                | <b>7,889</b>                | <b>2,984</b>                | <b>4,148</b>                |
| <b>Minority interests</b>                                  | <b>N/M</b>                  | <b>N/M</b>                  | <b>-</b>                    | <b>-</b>                    |
| <b>Total equity</b>  | <b>5,080</b>                | <b>7,889</b>                | <b>2,984</b>                | <b>4,148</b>                |

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

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

|   | <b>As at<br/>31 March<br/>2009<br/>S\$'000</b> | As at<br>31 March<br>2008<br>S\$'000 |
|---|--|--------------------------------------|
| Amount repayable in one year or less or on demand |  |                                      |
| Secured*  | 2,432  | 4,736                                |
| Unsecured   | 2,190  | -                                    |
|   | <u>4,622</u>                                   | <u>4,736</u>                         |
| Amount repayable after one year                   |  |                                      |
| Secured   | -  | -                                    |
| Unsecured   | -  | -                                    |
|   | <u>-</u>                                       | <u>-</u>                             |

**Details of any collateral**

\*These are secured against a corporate guarantee provided by the Company.

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

|  | <b>The Group</b> |                |
|--|------------------|----------------|
|  | <b>FY2009</b>    | <b>FY2008</b>  |
|  | <b>S\$'000</b>   | <b>S\$'000</b> |
| <b>OPERATING ACTIVITIES</b>                                    |                  |                |
| Profit before tax  | (2,723)          | 2,182          |
| Adjustments for:-  |                  |                |
| Allowance for doubtful debts                                   | -                | 62             |
| Doubtful debts written off                                     | 511              | -              |
| Amortisation of intangible assets                              | 629              | 138            |
| Depreciation of property, plant and equipment                  | 585              | 583            |
| Write back for stock obsolescence                              | (16)             | -              |
| Impairment in value of investment                              | 562              | -              |
| Construction work in progress written off                      | 1,000            | -              |
| Property, plant and equipment written off                      | -                | 4              |
| Intangible assets written off                                  | -                | 6              |
| Deposit written off  | -                | 34             |
| Interest expense   | 571              | 368            |
| Interest income  | (13)             | (94)           |
| Share option expenses  | -                | 65             |
| Operating profit before changes in working capital             | <b>1,106</b>     | <b>3,348</b>   |
| <i>Changes in working capital</i>                              |                  |                |
| Inventories  | 184              | (1,102)        |
| Trade and other receivables                                    | 752              | 3,524          |
| Construction contract work-in-progress                         | (1,322)          | (2,557)        |
| Trade and other payables                                       | <b>3,578</b>     | <b>(5,225)</b> |
| Cash generated from/(used in) operations                       | <b>4,298</b>     | <b>(2,012)</b> |
| Interest received  | 13               | 94             |
| Income tax paid  | (82)             | -              |
| Development expenditure (net of amortisation and depreciation) | <b>(3,471)</b>   | <b>(1,774)</b> |
| <b>NET CASH GENERATED IN/(USED IN) OPERATING ACTIVITIES</b>    | <b>758</b>       | <b>(3,692)</b> |
| <b>INVESTING ACTIVITIES</b>                                    |                  |                |
| Purchase of property, plant and equipment                      | (258)            | (468)          |
| Purchase of computer software                                  | (76)             | (222)          |
| Advance to an associate  | -                | (61)           |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                   | <b>(334)</b>     | <b>(751)</b>   |
| <b>FINANCING ACTIVITIES</b>                                    |                  |                |
| Proceeds from trust receipts                                   | -                | 1,502          |
| Proceeds from financial institution                            | -                | 2,871          |
| Repayment to financial institution                             | (1,090)          | -              |
| Share registrar expenses                                       | (4)              | (4)            |
| Repayment of trust receipts                                    | -                | (178)          |
| Interest paid  | (571)            | (368)          |
| <b>NET (USED IN)/CASH FROM FINANCING ACTIVITIES</b>            | <b>(1,665)</b>   | <b>3,823</b>   |
| NET DECREASE IN CASH AND CASH EQUIVALENTS                      | <b>(1,241)</b>   | <b>(620)</b>   |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD               | <b>680</b>       | <b>1,300</b>   |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD (NOTE 1)            | <b>(561)</b>     | <b>680</b>     |

**Note 1:-**

Cash and cash equivalents consist of:-

|                                 | <b>The Group</b> |                |
|---------------------------------|------------------|----------------|
|                                 | <b>FY2009</b>    | <b>FY2008</b>  |
|                                 | <b>S\$'000</b>   | <b>S\$'000</b> |
| Total cash and bank balances    | 40               | 28             |
| Fixed deposits                  | -                | 2,400          |
| Less: Bank overdrafts – secured | <b>(601)</b>     | <b>(1,748)</b> |
|                                 | <b>(561)</b>     | <b>680</b>     |

We are in the midst of finalizing three investment arrangements for the procurement of an aggregate cash funding of S\$8.0 million, comprising: (1) S\$2.0 million from four high net worth individuals through the issuance of new shares in the Company at a subscription price of S\$0.05 each (the "Investment 1"); (2) S\$3.0 million from a high net worth individual through the issuance of a convertible loan at a conversion of S\$0.05 each (the "Investment 2"); and (3) S\$3 million from a third party, through the issuance of a convertible loan at a conversion price of S\$0.05 each (the "Investment 3").

**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     |                    |                      |                 |                    | Total<br>S\$'000 |
|---------------------------------|---------------|--------------------|----------------------|-----------------|--------------------|------------------|
|                                 | Share Capital | Accumulated Losses | Share Issue Expenses | Capital Reserve | Minority Interests |                  |
|                                 | S\$'000       | S\$'000            | S\$'000              | S\$'000         | S\$'000            |                  |
| Balance at 1 April 2008         | 59,297        | (51,342)           | (131)                | 65              | N/M                | 7,889            |
| Share registrar expenses        | -             | -                  | (4)                  | -               | -                  | (4)              |
| Net loss for the year           | -             | (2,805)            | -                    | -               | -                  | (2,805)          |
| <b>Balance at 31 March 2009</b> | <b>59,297</b> | <b>(54,147)</b>    | <b>(135)</b>         | <b>65</b>       | <b>N/M</b>         | <b>5,080</b>     |

|                                 | The Group     |                    |                      |                 |                    | Total<br>S\$'000 |
|---------------------------------|---------------|--------------------|----------------------|-----------------|--------------------|------------------|
|                                 | Share Capital | Accumulated Losses | Share Issue Expenses | Capital Reserve | Minority Interests |                  |
|                                 | S\$'000       | S\$'000            | S\$'000              | S\$'000         | S\$'000            |                  |
| Balance at 1 April 2007         | 57,827        | (53,524)           | (127)                | -               | N/M                | 4,176            |
| Issue of shares                 | 1,470         | -                  | -                    | -               | -                  | 1,470            |
| Share issue expenses            | -             | -                  | (4)                  | -               | -                  | (4)              |
| Share option expense            | -             | -                  | -                    | 65              | -                  | 65               |
| Net profit for the period       | -             | 2,182              | -                    | -               | -                  | 2,182            |
| <b>Balance at 31 March 2008</b> | <b>59,297</b> | <b>(51,342)</b>    | <b>(131)</b>         | <b>65</b>       | <b>N/M</b>         | <b>7,889</b>     |

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

|                                     | The Company   |                    |                      |                 |              |
|-------------------------------------|---------------|--------------------|----------------------|-----------------|--------------|
|                                     | Share Capital | Accumulated Losses | Share Issue Expenses | Capital Reserve | Total        |
|                                     | S\$'000       | S\$'000            | S\$'000              | S\$'000         | S\$'000      |
| Balance at 1 April 2008             | 59,297        | (55,083)           | (131)                | 65              | 4,148        |
| Share registrar expenses            | -             | -                  | (4)                  | -               | (4)          |
| Loss for the period                 | -             | (1,160)            | -                    | -               | (1,160)      |
| <b>Balance at 30 September 2008</b> | <b>59,297</b> | <b>(56,243)</b>    | <b>(135)</b>         | <b>65</b>       | <b>2,984</b> |

|                                     | The Company   |                    |                      |                 |              |
|-------------------------------------|---------------|--------------------|----------------------|-----------------|--------------|
|                                     | Share Capital | Accumulated Losses | Share Issue Expenses | Capital Reserve | Total        |
|                                     | S\$'000       | S\$'000            | S\$'000              | S\$'000         | S\$'000      |
| Balance at 1 April 2007             | 57,827        | (54,768)           | -                    | -               | 3,059        |
| Issue of shares                     | 1,470         | -                  | -                    | -               | 1,470        |
| Share issue expenses                | -             | -                  | (131)                | -               | (131)        |
| Share option expense                | -             | -                  | -                    | 65              | 65           |
| Loss for the period                 | -             | (315)              | -                    | -               | (315)        |
| <b>Balance at 30 September 2007</b> | <b>59,297</b> | <b>(55,083)</b>    | <b>(131)</b>         | <b>65</b>       | <b>4,148</b> |

**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.**

There were no changes in the Company's share capital during FY2009.

**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 March 2009 | As at 31 March 2008 |
|--|---------------------|---------------------|
| Total number of issued ordinary shares (excluding treasury shares) | 807,905,813         | 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 31 March 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 FY2009 as those in the audited annual financial statements for FY2008.

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

Not applicable

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

|   | <b>The Group</b>                  |                                   |
|---|-----------------------------------|-----------------------------------|
|   | As at<br>31 March 2009<br>S\$'000 | As at<br>31 March 2008<br>S\$'000 |
| <b>Net profit/(loss) attributable to shareholders</b> | <b>(2,805)</b>                    | 2,182                             |
| <b>Earnings/(loss) per share</b>                      |                                   |                                   |
| Basic (Singapore cents)                               | <b>(0.35) cents<sup>(1)</sup></b> | 0.27 cents <sup>(2)</sup>         |
| Diluted (Singapore cents)                             | <b>(0.34) cents<sup>(3)</sup></b> | 0.26 cents <sup>(4)</sup>         |

**Notes:-**

- (1) Based on the adjusted weighted average number of 807,905,813 ordinary share.
- (2) Based on the adjusted weighted average number of 798,381,223 ordinary share.
- (3) Based on 825,855,813 ordinary shares, being the sum of the issued shares as at 31 March 2009 and the number of outstanding employee share options granted under the Addvalue Employee Share Option Scheme as at 31 March 2009.
- (4) Based on 825,855,813 ordinary shares, being the sum of the issued shares as at 31 March 2008 and the number of outstanding employee share options granted under the Addvalue Employee Share Option Scheme as at 31 March 2008.

**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<br>31 March<br>2009<br>S\$'000 | As at<br>31 March<br>2008<br>S\$'000 | As at<br>31 March<br>2009<br>S\$'000 | As at<br>31 March<br>2008<br>S\$'000 |
| Net asset value as at end of financial year  | <u>5,080</u>                         | <u>7,889</u>                         | <u>2,984</u>                         | <u>4,148</u>                         |
| Net asset value per ordinary share<br>as at the end of financial year<br>(Singapore cents) | <u>0.63 cents<sup>(1)</sup></u>      | <u>0.98 cents<sup>(2)</sup></u>      | <u>0.37 cents<sup>(1)</sup></u>      | <u>0.51 cents<sup>(2)</sup></u>      |

**Notes:-**

(1) Based on 807,905,813 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 FY2009 compared to FY2008**

**Turnover**

Our Group recorded a lower turnover of about S\$5.8 million for FY2009 compared to that of about S\$10.7 million for FY2008. The decrease in turnover was attributed mainly to:-

- the protracted delay and the eventual non-completion of the planned investment by Pytheas (Cyprus) Ltd ("Pytheas") in the Company had (i) limited our marketing efforts to launch proactive and effective sales programs on Sabre1™ and related products; and (ii) disrupted our momentum to expedite the development and the production for the supply of our new suite of maritime products;
- higher product sales in FY2008 relative to FY2009 as FY2008, being the maiden year in which our portable BGAN Sabre1™ terminals were launched, had a significant backlog order due to GMPCS Personal Communications Inc to be fulfilled pursuant to the strategic partnership agreement we forged with the latter in January 2006; and
- our planned diversion of some of our resources in developing our own proprietary technologies with a view to widen our product portfolio to maximize sales and enhance our competitive edge.

**Profitability**

As a result of the lower turnover, we registered a lower gross profit of about S\$3.4 million in FY2009 relative to that of about S\$6.7 million in FY2009. Over the same financial years under review, our gross profit margin reduced marginally from about 62% in FY2008 to about 59% in FY2009 due principally to the mass supply of BGAN Sabre1™ terminals at a subsidized rate for the successful deployment of a 1,200-site BGAN mobile satellite network to support Brazil's first round of municipal elections in October 2008.

The increase in our other operating income from about S\$136,000 in FY2008 to about S\$290,000 in FY2009 was largely attributed to an one time income pursuant to the grant of a special licence to one of our key distributors.

In line with our lower turnover and as we began to rely more on our distributors and less on our own marketing staff to market our products, our distribution and promotion costs decreased by about 13.1% from about S\$779,000 in FY2008 to about S\$677,000 in FY2009.

The continued tight cost containment measures which we implemented 3 years ago continued to witness a decrease in our administration expenses by about 22.0% from about S\$1.9 million in FY2008 to about S\$1.5 million in FY2009.

Our other operating expenses increased by about S\$2.1 million or 132.8% from about S\$1.6 million in FY2008 to about S\$3.7 million in FY2009 principally as a result of the following while partially offset by savings brought about by our cost containment measures:-

- higher amortization of about S\$0.5 million following the commercialization of BGAN Sabre1™ terminals;
- write-off on construction-work-in-progress of about S\$1.0 million as one of our customers, due to certain commercial reason, decided to abort the second phase of a design contract which was in the progress of being carried out;

- (c) impairment of about S\$0.6 million, as a consequence of the global financial crisis, in respect of a consideration receivable under certain settlement arrangement; and
- (d) exchange loss of about S\$371,000 for FY2009 compared to a exchange gain of about S\$263,000 for FY2008.

Collectively as a result of the above, we incurred a loss from operation of about S\$2.2 million for FY2009 compared to a profit from operation of about S\$2.6 million for FY2008. **Excluding the write-offs, which are not expected to recur, our loss from operation for FY2009 would be drastically reduced to about S\$79,000.**

We incurred higher finance expenses in FY2009 relative to FY2008 due to interest rate hikes on our loans procured with financial institutions.

The tax expense of about S\$82,000 incurred in FY2009 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 31 March 2009 compared to that as at 31 March 2008**

### **Working capital**

The decrease in inventories (net off against the increase in construction contract work-in-progress) coupled with the increase in trade payables, advance receipts as well as other payables and accruals (net off against a reduction in loan from financial institutions through loan repayment), resulted in a net current liabilities position being recorded in FY2009. The decrease in inventories was attributed mainly to stock depletion as it is our policy to maintain only minimum level of carrying stock. The increase in construction contract work-in-progress was attributed mainly to more work being done on our various design contracts, which we have yet to bill our customers. The increases in trade payables, other payables and accruals were brought about as a result of better working capital management. The advance receipts relate to payments received prior to the delivery of goods under our commercial sales terms.

The fund to be injected pursuant to Investment 2 is expected to substantially improve the working capital position of the Group. Together with the funds to be injected pursuant to Investment 1 and Investment 3, the balance sheet of the Group is also expected to be heftily fortified.

### **Property, plant and equipment**

The decrease in the net book value of property, plant and equipment from about S\$1.4 million as at 31 March 2008 to about S\$1.1 million as at 31 March 2009 was attributed principally to higher depreciation charge for FY2009.

### **Intangible assets**

The increase in our intangible assets by about 48.2% from about S\$6.1 million as at 31 March 2008 to about S\$9.0 million as at 31 March 2009 relates mainly to development expenditure incurred to expand our family of satellite communication products with a view to grow our satellite communications business further.

## **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**

### **Overview**

Riding on our track record and technical expertise developed over the past years, we will continue to grow our revenue streams within the domain of mobile satellite communications. Our confidence in growing the business in the satellite communication arena is particularly boosted by: (1) the completion of the repositioning of Inmarsat I-4 satellite constellation, after the successful launch of the third I-4 satellite in last August (which optimally and effectively covers the entire Earth (except the North Pole and South Pole)); and (2) the successful launch and deployment of Thuraya new satellite over the Asia and South Pacific Ocean regions in June last year. Both of these satellite systems promise service life at least till year 2023.

In this regard, we will focus our efforts to exploit and realize to the fullest the sales potentials of our BGAN products and maritime satellite communication products, particularly in respect of the following secured orders which we procured for the design and supply for land and maritime BGAN terminals:-

#### **(a) For land BGAN – Minimum secured order of S\$0.7 million for the supply of Sabre™ family of products**

We have expanded our land portable product range with the introduction of Sabre™ Ranger and Sabre™ Remote terminals. These new products ride on our BGAN terminal and proprietary interface device for SCADA (Supervisory,

Control And Data Acquisition) applications and cater to the energy and utility markets for the monitoring of fields and pipelines. The commercial shipment for these products in respect of a secured minimum order of S\$0.7 million is expected to be made in the second quarter of 2009.

**(b) For maritime BGAN – Balance secured order of S\$3.5 million for the supply of FB250 terminals**

The contract which we entered into with Satlink S.L. ("Satlink") in February 2008 to design and supply a FB250 maritime BGAN terminal, enriched with voice and broadband data access features, is now undergoing sea-worthy trial. Barring any unforeseen delay, we expect to commence shipment of the terminals to Satlink from June 2009 based on the purchase orders.

**(c) For maritime BGAN – Balance secured order of S\$8.6 million for the supply of Skipper FB150 terminals**

We are completing the design phase of the product development cum supply contract, secured with Inmarsat Global Ltd ("Inmarsat") in September 2009, for the design and supply of a FB150 maritime BGAN terminal. FB150 terminal, a scaled-down version of FB250, is to address a large maritime market comprising of smaller leisure, fishing and commercial vessels. We have been receiving strong interests for the supply of the satellite terminal. Barring any unforeseen delay, we target to conclude the sea-worthy trial by June 2009 and expect orders for the first shipment to be made by July 2009.

**(d) For maritime Thuraya – Supply of Seagull 5000**

In June 2008, we announced our partnership with Thuraya Satellite Telecommunications Company ("Thuraya") to develop a low cost maritime phone and a satellite based tracking product in catering to the cost-sensitive users in the fisheries and small leisure boats markets. These users may find the maritime BGAN FB150 and FB250 solutions too feature-rich and expensive for their needs. The product, entitled "Seagull 5000", is currently under going sea-worthy trial and, barring any unforeseen delay, is expected to be ready for commercialization by July 2009.

Apart from the above, we actively seek out lucrative satellite design and supply related business. In this respect, we have put in place programs for the following activities:-

**(a) For land satellite communication market**

Capitalizing on the successful introduction of our BGAN Sabre-1™ (Class 3) land portable terminal, we will continue to expand our distribution network and seek out new market opportunities through partnership and niche applications.

We are further enhancing our BGAN land product family to include higher capability and mobile terminals with customizable applications targeting the media, government and other mission-critical markets.

**(b) For maritime satellite communication market**

We have identified new opportunities in the maritime market that require bespoke terminals for their unique requirement and applications. Leveraging on our BGAN maritime technology and development capabilities, we shall pursue such opportunities and further enhance our position in the mobile satellite communication terminal market.

**(c) Design services**

As we continue to seek out new satellite communication related design contracts, we have been actively engaging other satellite communication infrastructure operators as well as OEM solution providers for custom-built products and solutions involving our technologies and skill sets.

**(d) Airtime service**

We have started to sell satellite airtime as part of our business model, and have put in place service programs for both Inmarsat and Thuraya. These services are expected to take us to a greater height as they will not only give us an additional revenue stream but, more importantly, a strong recurring revenue source.

**Outlook**

Based on the aforesaid and barring any unforeseen circumstances, we are quietly optimistic about our performance and expect to be profitable for the financial year ending 31 March 2010.

*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/recommendeded, a statement to that effect.**

No dividend has been declared or recommended for FY2009.

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

**13. 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.**

**By geographical segments**

| <b><u>FY2009</u></b>               | <b><u>Europe</u><br/>S\$'000</b> | <b><u>North America</u><br/>S\$'000</b> | <b><u>Asia</u><br/>S\$'000</b> | <b><u>Total</u><br/>S\$'000</b> |
|------------------------------------|----------------------------------|---|--------------------------------|---------------------------------|
| REVENUE                            | 3,222                            | 2,174                                   | 400                            | 5,796                           |
| <i>% Contribution</i>              | <u>56%</u>                       | <u>37%</u>                              | <u>7%</u>                      | <u>100%</u>                     |
| RESULT                             |                                  |   |                                |                                 |
| Segment result before amortisation | 2,670                            | 618                                     | 130                            | 3,418                           |
| Amortisation                       | -                                | -                                       | (138)                          | (138)                           |
| Segment result after amortisation  | <u>2,670</u>                     | <u>618</u>                              | <u>(8)</u>                     | <u>3,280</u>                    |
| Unallocated expenses               |                                  |   |                                | (5,722)                         |
| Other income                       |                                  |   |                                | 290                             |
| Interest expense                   |                                  |   |                                | <u>(571)</u>                    |
| Loss before tax                    |                                  |   |                                | (2,723)                         |
| Taxation                           |                                  |   |                                | (82)                            |
| Net loss for the year              |                                  |   |                                | <u>(2,805)</u>                  |

| <b><u>FY2008</u></b>               | <b><u>Europe</u><br/>S\$'000</b> | <b><u>North America</u><br/>S\$'000</b> | <b><u>Asia</u><br/>S\$'000</b> | <b><u>Total</u><br/>S\$'000</b> |
|------------------------------------|----------------------------------|---|--------------------------------|---------------------------------|
| REVENUE                            | 4,625                            | 3,629                                   | 2,444                          | 10,698                          |
| <i>% Contribution</i>              | <u>43%</u>                       | <u>34%</u>                              | <u>23%</u>                     | <u>100%</u>                     |
| RESULT                             |                                  |   |                                |                                 |
| Segment result before amortisation | 3,374                            | 2,484                                   | 800                            | 6,658                           |
| Amortisation                       | -                                | -                                       | (138)                          | (138)                           |
| Segment result after amortisation  | <u>3,374</u>                     | <u>2,484</u>                            | <u>662</u>                     | <u>6,520</u>                    |
| Unallocated expenses               |                                  |   |                                | (4,106)                         |
| Other income                       |                                  |   |                                | 136                             |
| Interest expense                   |                                  |   |                                | <u>(368)</u>                    |
| Profit before tax                  |                                  |   |                                | 2,182                           |
| Taxation                           |                                  |   |                                | -                               |
| Net profit for the year            |                                  |   |                                | <u>2,182</u>                    |

**By business segments**

| <b><u>FY2009</u></b>            | <b><u>License and</u><br/><u>Consultancy</u><br/>S\$'000</b> | <b><u>Design</u><br/><u>Services</u><br/>S\$'000</b> | <b><u>Sales</u><br/>S\$'000</b> | <b><u>Total</u><br/>S\$'000</b> |
|---------------------------------|--|--|---------------------------------|---------------------------------|
| REVENUE                         | -  | 3,249  | 2,547                           | 5,796                           |
| <i>% Contribution</i>           | <u>-</u>   | <u>56%</u>   | <u>44%</u>                      | <u>100%</u>                     |
| Segment assets                  | 149  | 15,354   | 1,506                           | 17,009                          |
| Unallocated assets              |  |  |                                 | -                               |
| Total assets                    |  |  |                                 | <u>17,009</u>                   |
| Unallocated capital expenditure |  |  |                                 | <u>335</u>                      |
| Total capital expenditure       |  |  |                                 | <u>335</u>                      |

| <b>FY2008</b>                   | <b><u>License and<br/>Consultancy</u><br/>S\$'000</b> | <b><u>Design<br/>Services</u><br/>S\$'000</b> | <b><u>Sales</u><br/>S\$'000</b> | <b><u>Total</u><br/>S\$'000</b> |
|---------------------------------|---|---|---------------------------------|---------------------------------|
| REVENUE                         | -   | 5,298   | 5,400                           | 10,698                          |
| <i>% Contribution</i>           | -   | 50%   | 50%                             | 100%                            |
| Segment assets                  | 692   | 12,441  | 5,344                           | 18,477                          |
| Unallocated assets              |   |   |                                 | -                               |
| Total assets                    |   |   |                                 | 18,477                          |
| Unallocated capital expenditure |   |   |                                 | 690                             |
| Total capital expenditure       |   |   |                                 | 690                             |

**14. 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

The increase in percentage contribution to revenue from Europe was achieved mainly as a result of the two maritime design contracts which the Group procured with Inmarsat and Satlink. However, with the range of maritime products imminently ready for commercial sales in the worldwide market from the second quarter of 2009, we expect sales of such products to markets in North America and Asia to result in a more balanced share of percentage contribution to our financial performance in FY2010 and beyond.

By business segments

Design services contributed a slightly higher percentage to revenue mainly as a result of the two maritime design contracts mentioned above. With the two design contracts expected to be fully completed in the first half of FY2010 and the expected commencement of shipment of our new maritime products by the second quarter of 2009, we expect contribution from the sales of equipment to increase significantly in FY2010.

**15. Breakdown of sales**

|                                      | <b>The Group</b> |                |
|--------------------------------------|------------------|----------------|
|                                      | <b>FY2009</b>    | <b>FY2008</b>  |
|                                      | <b>S\$'000</b>   | <b>S\$'000</b> |
| (i) Turnover reported for:           |                  |                |
| First half year ended 30 September   | 4,635            | 5,484          |
| Second half year ended 31 March      | 1,161            | 5,214          |
|                                      | <b>5,796</b>     | <b>10,698</b>  |
| (ii) Net profit/(loss) reported for: |                  |                |
| First half year ended 30 September   | 1,044            | 1,042          |
| Second half year ended 31 March      | (3,849)          | 1,140          |
|                                      | <b>(2,805)</b>   | <b>2,182</b>   |

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

Not applicable.

**BY ORDER OF THE BOARD**

**Dr Colin Chan**  
**Chairman & CEO**

**30 May 2009**