

News Release



ADDVALUE TECHNOLOGIES LTD

Company Registration Number: 199603037H

Focused Efforts Further Boosted FY2008 Net Profit by More Than 15-Fold to S\$2.2 Million Against a 71% Increase in Turnover to S\$10.7 Million

FY2008 Performance Highlights:

- Turnover increased by 71% to S\$10.7m, from S\$6.2m in FY2007
- More than 15-fold increase in net profit to S\$2.2m, from S\$0.1m in FY2007
- Net assets per share nearly doubled to 0.98 cents in FY2008, from 0.54 cents in FY2007
- Working capital reversed to a net current assets position of S\$0.4m from a net current liabilities position of S\$ 1.5m in FY2007

Singapore, 30 May 2008 – Addvalue Technologies Ltd (“Addvalue” or the “Company”, and together with its subsidiaries, the “Group”), one of the only 3 and the only Asia-based authorized supplier worldwide for the portable BGAN satellite communication terminals, continues to strengthen its foothold in the satellite communications arena. For the financial year ended 31 March 2008, the Group achieved a more than 15-fold increase in net profit to S\$2.2m from a net profit of \$0.1m for the financial year 2007. The commendable performance was attained against a marked 71% increase in revenue to S\$10.7m compared to S\$6.2m a year ago.

Dr Colin Chan, Chairman and CEO of Addvalue commented, "After years of perseverance and hard strive by our team of dedicated staff, we are indeed heartened by the laudable results. We finally begin to reap the fruits of our development efforts in this not so easily understood high technology industry which we operate in."

Performance Review

Continuing with the its efforts to focus on the satellite communication, navigation and tracking system and digital wireless solution business, the Group's turnover, with exceptional contributions from its BGAN terminal sales and BGAN-related design services, surged from S\$6.2m in FY2007 to S\$10.7m in FY2008.

Furthering its tight cost containment measures implemented 2 years ago, the Group continued to rein in on its administration expense by 28% from S\$2.2m in FY2007 to S\$1.6m in FY2008. Consequently and against the healthy turnover, the Group achieved a more than 15-fold increase in net profit to S\$2.2m as compared to S\$0.1m in the previous year.

Balance Sheet

The Group ended the year with a total shareholder's equity standing at S\$7.9m as compared to S\$4.2m in FY2007, with net assets per share increased to 0.98 cents from 0.53 cents in FY2007. The Group also achieved a turnaround in its working capital, reversing from a net current liabilities position of S\$1.5m in FY2007 to a net current assets position of S\$0.4m.

Outlook

After the Group's foray into the satellite BGAN market for more than a year, its Sabre™ 1 BGAN terminal has been steadily gaining worldwide recognition and commendation for its reliable performance, design robustness and user-friendliness.

As the Group continues to expand and grow its global distribution network, it had on 20 May 2008 secured a coveted distribution agreement with Stratos Global

Corporation (“Stratos”) for the distribution of its range of BGAN terminals. As Stratos is one of the world largest distributors of Inmarsat’s BGAN services, the partnership is expected to give a significant boost to Addvalue’s market reach to remote professionals in the enterprise market, government and military agencies, as well as penetration into new markets. Further, its newly launched Sabre™ Remote terminal, with features meeting the demanding requirements for Supervisory, Control and Data Acquisitions (SCADA) applications, is of particular appeal to Stratos for the latter to promote to its customers in the energy and utilities markets.

Leveraging on its development efforts on BGAN, the Group has spun off other BGAN related developments to enhance its current product offerings and revenue stream, including the development of a BGAN maritime terminal and a BGAN land mobile terminal. In addition, the Group is also developing a voice-centric maritime terminal targeting the fishery and small leisure boat industries, and the design platform can be re-deployed for the development of handheld phone products for satellite-based voice communications.

Moving forward, capitalizing on its in-house developed hardware solutions, the Group aims to create a competitive advantage in its efforts to penetrate the lucrative satellite air time sales market through hardware bundling. The sale of satellite air time is also envisaged to provide the Group with an additional growing recurring revenue stream.

On 11 February 2008, Addvalue entered into a binding term sheet with Pytheas Ltd for the latter to invest up to S\$134m in cash in the Company. The rationale for the cash investment are:

- a. to improve the capitalization and fortify the balance sheet of the Group;
- b. to enhance the positioning of the Group as a significant player in the global satellite industry;
- c. to tap on the investor’s wide global network to strengthen the Group’s foothold in the potentially lucrative Middle East markets; and

- d. to accelerate the growth of the Group organically as well as through mergers and acquisitions.

Given the scale of the investment involved, due diligence for the investment is still on-going. An update will be provided by the Company in due course.

Barring unforeseen circumstances, the Group is optimistic about its performance for the financial year ending 31 March 2009.

About Addvalue Technologies

Addvalue Technologies Ltd, founded in Singapore in 1996 and listed on the Main Board of the Singapore Stock Exchange in 2000, is a leading provider of satellite communication, tracking and telemetry solutions and digital wireless design services. It is presently one of the only 3 global suppliers of the portable BGAN satellite terminal authorized by Inmarsat. Broadband Global Area Network ("BGAN") is the world's first mobile communications service to provide both voice and broadband data simultaneously via a portable device on a global basis.

For more information, please visit www.addvaluetech.com.

For **Media Enquiries**, please contact

Ms Apple Tan
Manager, Marketing Communications
Addvalue Technologies Ltd
Tel : +65 6342 5421
Email : apple@addvalue.com.sg
