



## **ADDVALUE TECHNOLOGIES LTD**

Company Registration Number: 199603037H

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**Record turnover of S\$20.4 million achieved in FY2011 at an impressive year-on-year growth of 69.3% or S\$8.4 million with net profit accelerated to an unprecedented high of S\$7.5 million from a loss of S\$3.3 million in FY2010**

- **Continued robust sales of wider range of Inmarsat-centric land and maritime BGAN-based products boosted performance**
  - **Gross profit nearly tripled in FY2011 to S\$10 million from S\$3.7 million in FY2010 (with gross profit margin markedly improved from 30.8% to 49.0%)**
  - **Working capital reversed from a negative of S\$2.8 million as at 31 March 2010 to a positive of S\$3.2 million as at 31 March 2011 while gearing improved from 95.2% to 28.3%**
  - **Net tangible asset (“NTA”) position reversed from a negative of S\$5.7 million as at 31 March 2010 to a positive position of S\$3.6 million as at 31 March 2011**
  - **Basic EPS reversed from a negative of 0.38 cents in FY2010 to a positive of 0.78 cents in FY2011 while net asset value (“NAV”) per share nearly tripled from 0.59 cents as at 31 March 2010 to 1.7 cents as at 31 March 2011**
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**Singapore, 25 May 2011** – Singapore Exchange Mainboard-listed Addvalue Technologies Ltd (“Addvalue” or the “Group”), a leading global developer and manufacturer of mobile satellite terminals supporting coverage provided by premier mobile satellite communication operators such as Inmarsat plc and Thuraya

Telecommunications Company, announced its fourth financial quarter results (“Q4 FY2011”) and its full year results (“FY2011”) ended 31 March 2011.

#### **Q4 FY2011 and FY2011 Results Review**

The focused business pursuit of the Group has led it to continually deliver a commendable set of results since the last financial quarter of FY2010.

Against the continued robust sales of a wider range of Inmarsat-centric land and maritime products, the Group turned in a record turnover of S\$20.4 million for FY2011 (compared to that of S\$12.0 million for FY2010), notwithstanding a lower turnover of S\$4.3 million recorded for Q4 FY2011 (compared to that of S\$8.0 million for Q4 FY2010) chiefly as a result of an one-time supply of a large quantity of Sabre™ 1 BGAN Terminals for the Philippines’s National Elections held in May 2010.

As a result of the marked increase in the annual turnover, the gross profit of the Group nearly tripled from S\$3.7 million in FY2010 to S\$10.0 million in FY2011. Due principally to sales with better mix of higher yielding products, the gross profit margin of the Group also improved significantly from 30.8% in FY2010 to 49.0% in FY2011 and from 29.2% in Q4 FY2010 to 51.4% in Q4 FY2011.

Commenting on the outstanding performance of the Group, Dr Colin Chan Kum Lok, Chairman and CEO of Addvalue, remarked that “after years of striving hard and staying focused, we have finally emerged with a sterling set of commendable results which saw the net profit of the Group increased by more than ten-fold from S\$0.3 million in Q4 FY2010 to S\$3.6 million in Q4 FY2011 and reversed startlingly from a net loss of S\$3.3 million in FY2010 to a record net profit of S\$7.5 million in FY2011. The turnaround in profitability also transforms a loss per share of 0.38 cents in FY2010 to an earnings per share of 0.78 cents in FY2011”.

The exceptional set of results achieved coupled with the capitalization of share capital undertaken by the Group in FY2011 had greatly improved (i) the working capital position of the Group which reversed from a negative S\$2.8 million as at 31 March 2010 to a positive S\$3.2 million as at 31 March 2011; (ii) the gearing of the

Group which drastically improved from 95.2% as at 31 March 2010 to 28.3% as at 31 March 2011; and (iii) the NTA position of the Group which reversed from a negative S\$5.7 million as at 31 March 2010 to a positive S\$3.6 million as at 31 March 2011.

## **Prospects**

Against sustaining robust demands for the Group's current range of products, the Group will continue to work closely with world leading satellite operators and its distribution partners to promote, market and distribute these products and expand its distribution networks to further enhance and entrench its global coverage.

"Building upon our strengths of technical expertise, we will also continue to develop innovative products and services and, through forging of partnerships, expand our market presence and increase our market shares in the industry," added Dr Colin Chan.

Specifically over the next 12 months, the Group is on track in delivering the following:

### **New Satellite Communication-related Products in the Development Pipeline**

At least two mobile satellite communication terminals are currently under development by the Group and are expected to be commercialised within 2011.

The Group expects to launch its first land vehicular BGAN terminal for a wider market concerning vehicular fleet management, news and broadcasting companies, companies engaging in exploration and expedition activities, rescue and disaster response organisations and military units around the world.

In addressing the increasing needs of even more budget-conscious users, the Group also aims to launch a Thuraya-based terminal at affordable end user price. This product shall be bundled with attractive air time deals offered by Thuraya exclusively to attract users, especially those in South East Asia and East Asia.

## **Recent Business Development and Prospects of Mobile Satellite Business Opportunities in East Asia**

The Group is also in discussion with several communications companies in East Asia to develop satellite terminals suited for the market there. With the Group providing the core modules to these partners, these products will be manufactured by these partners in East Asia.

With a view to seize the immense opportunities avail in the large fishing vessels market in South East Asia and East Asia, the Group has also through its partners provided mobile satellite terminals with specific applications for voice, SMS and data tracking to fishery authorities in this region for actual trials on some fishing vessels. Pending the satisfactory outcome of the test runs, sizable orders for such terminals are expected to be placed with the Group.

The Group is excited about our prospects and stand ready to exploit them.

This press release should be read in conjunction with Addvalue's results announcement for the fourth financial quarter and full financial year ended 31 March 2011 posted on the Singapore Exchange on 25 May 2011.

### **About Addvalue ([www.addvaluetech.com](http://www.addvaluetech.com))**

Headquartered and founded in Singapore in 1996, Addvalue Technologies Ltd 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 wide variety of voice and IP-based data applications. Addvalue 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 or ineffective. 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.

### **About BGAN**

The Broadband Global Area Network (BGAN), is a mobile communications that offers highspeed data (up to 492Kbps) and voice telephony –simultaneously through one device. The terminals are normally used to connect a laptop computer to broadband Internet in remote locations, although as long as line-of-sight to the satellite exists, the terminal can be used anywhere. The value of BGAN terminals is that unlike other satellite Internet services which require bulky and heavy satellite dishes to connect, a BGAN terminal is about the size of a laptop and thus can be carried easily. The network is provided by Inmarsat and uses three geostationary satellites called I-4 to provide almost global coverage.

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