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**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 MARCH 2008**

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**PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), FULL 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**

	<b>The Group</b>		%
	<b>FY2008</b>	FY2007	
	<b>S\$'000</b>	S\$'000	
		(Restated)#	
<b>Revenue</b>	<b>10,698</b>	6,248	71
Cost of sales	<b>(4,040)</b>	(3,121)	29
<b>Gross profit</b>	<b>6,658</b>	3,127	113
Other operating income	<b>136</b>	1,747	(92)
Selling and distribution costs	<b>(778)</b>	(374)	(108)
Administration expenses	<b>(1,569)</b>	(2,171)	(28)
Other operating expenses	<b>(1,896)</b>	(1,810)	5
<b>Profit from operations</b>	<b>2,551</b>	519	272
Finance costs	<b>(368)</b>	(369)	N/M
<b>Profit before tax</b>	<b>2,183</b>	150	1,355
Taxation	<b>-</b>	(12)	(100)
<b>Net profit attributable to the shareholders</b>	<b>2,183</b>	138	1,482

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

*# Restatement arose due to a prior year adjustment which results in the consolidated profit after tax of the Group being reduced from about S\$301,000 (prior to the restatement) to about S\$138,000 (subsequent to the restatement). Please refer to the footnote to paragraph 1.(d)(i) for details of the prior year adjustment.*

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

	<b>The Group</b>		
	<b>FY2008</b>	FY2007	%
	<b>S\$'000</b>	S\$'000	Change
Profit before tax has been arrived at after charging/(crediting):-			
Allowance for inventories obsolescence	<b>70</b>	-	N/m
Allowance for/(Write-back of) doubtful debts	<b>62</b>	(66)	N/m
Deposit written off	<b>34</b>	-	N/m
Depreciation and amortisation	<b>721</b>	1,097	(34)
Foreign exchange gain (net)	<b>(263)</b>	(123)	107
Impairment in value of associates	-	271	(100)
Intangible asset written off	<b>6</b>	-	N/m
Interest expense	<b>368</b>	369	N/M
Interest income	<b>(94)</b>	(51)	84
Loss on disposal of intangible asset	-	4	(100)
Loss on disposal of property, plant and/or equipment	-	48	(100)
Property, plant and equipment written off	<b>4</b>	-	N/m

*"% 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 2008 S\$'000	31 March 2007 S\$'000 (Restated)#	31 March 2008 S\$'000	31 March 2007 S\$'000 (Restated)#
<b>Non-current assets</b>				
Property, plant and equipment	913	1,181	-	-
Subsidiaries	-	-	4,610	4,675
Associates	-	-	-	-
Other equity investments	-	-	-	-
Intangible assets	6,573	4,572	-	-
	<b>7,486</b>	<b>5,753</b>	<b>4,610</b>	<b>4,675</b>
<b>Current assets</b>				
Inventories	1,407	305	-	-
Work-in-progress	4,956	2,398	-	-
Trade receivables	1,392	3,063	-	-
Other receivables, deposits and prepayments	809	2,696	692	2,583
Due from subsidiaries (non-trade)	-	-	2,165	1,064
Due from an associate (non-trade)	-	-	-	-
Cash and bank balances	2,428	3,047	1,400	2,885
	<b>10,992</b>	<b>11,509</b>	<b>4,257</b>	<b>6,532</b>
<b>Total assets</b>	<b>18,478</b>	<b>17,262</b>	<b>8,867</b>	<b>11,207</b>
<b>Current liabilities</b>				
Trade payables	823	1,496	-	-
Other payables and accruals	2,871	3,995	711	878
Loan from financial institutions	5,110	916	2,256	916
Advance receipts	31	3,458	-	3,250
Due to subsidiaries (non-trade)	-	-	-	10
Unsecured convertible loan	-	1,432	-	1,432
Provision for tax	5	5	5	5
Bank overdrafts	1,748	1,746	1,748	1,746
	<b>10,588</b>	<b>13,048</b>	<b>4,720</b>	<b>8,237</b>
<b>Net current assets/(liabilities)</b>	<b>404</b>	<b>(1,539)</b>	<b>(463)</b>	<b>(1,705)</b>
<b>Net assets</b>	<b>7,890</b>	<b>4,214</b>	<b>4,147</b>	<b>2,970</b>
<b>Share capital and reserves</b>				
Share capital	59,297	57,827	59,297	57,827
Capital reserve	65	-	65	-
Share issue expenses	(131)	(127)	(131)	(127)
Unsecured convertible loan – equity component	-	38	-	38
Accumulated losses	(51,341)	(53,524)	(55,084)	(54,768)
	<b>7,890</b>	<b>4,214</b>	<b>4,147</b>	<b>2,970</b>
<b>Minority interests</b>	<b>N/m</b>	<b>N/m</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>7,890</b>	<b>4,214</b>	<b>4,147</b>	<b>2,970</b>

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

# Restatement arose due to a prior year adjustment which results in the consolidated profit after tax of the Group being reduced from about S\$301,000 (prior to the restatement) to about S\$138,000 (subsequent to the restatement) and the loss of the Company being increased from about S\$1.2 million (prior to the restatement) to a loss of about S\$1.3 million (subsequent to the restatement). Please refer to the footnote to paragraph 1.(d)(i) for details of the prior year adjustment.

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

	<b>As at 31 March 2008 S\$'000</b>	<b>As at 31 March 2007 S\$'000</b>
Amount repayable in one year or less or on demand		
Secured*	4,736	1,924
Unsecured	-	-
	<u>4,736</u>	<u>1,924</u>
Amount repayable after one year		
Secured	-	-
Unsecured	-	-
	<u>-</u>	<u>-</u>

**Details of any collateral**

\* These are secured against fixed deposits and 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>FY2008</b> <b>S\$'000</b>	<b>FY2007</b> <b>S\$'000</b> (Restated)#
<b>OPERATING ACTIVITIES</b>		
Profit before tax	2,183	150
Adjustments for:-		
Allowance for inventories obsolescence	70	-
Allowance for/(Write-back of) doubtful debts	62	(66)
Amortisation of intangible asset	326	901
Deposit written off	34	-
Depreciation of property, plant and equipment	395	196
Gain on divestment in subsidiary company	-	(400)
Impairment in value of associates	-	271
Intangible asset written off	6	-
Interest expense	368	369
Interest income	(94)	(51)
Loss on disposal of intangible asset	-	4
Loss on disposal of property, plant and equipment	-	48
Property, plant and equipment written off	4	-
Share option expense	65	-
Return of equity interest under settlement arrangement	-	4,692
Operating profit before changes in working capital	<b>3,419</b>	<b>6,114</b>
<i>Changes in working capital</i>		
Inventories	(1,172)	81
Trade and other receivables	3,525	(4,634)
Work-in-progress	(2,558)	(288)
Trade and other payables and advance receipts	(5,225)	547
Cash (used in)/generated from operations	<b>(2,011)</b>	<b>1,820</b>
Interest received	94	51
Income tax paid	-	(12)
Development expenditure (net of amortisation and depreciation)	(1,774)	(1,926)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(3,691)</b>	<b>(67)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(131)	(1,099)
Purchase of intangible asset	(559)	(598)
Acquisition of shares in associated company	-	(71)
Advance to associated company	(61)	-
Proceeds from the disposal of property, plant and equipment	-	10
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(751)</b>	<b>(1,758)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from trust receipts	1,502	178
Proceeds from financial institutions	2,870	-
Proceeds from unsecured convertible loan	-	1,470
Proceeds from issue of shares, net of issue expenses	(4)	1,950
Repayment of trust receipts	(178)	-
Interest paid	(368)	(369)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>3,822</b>	<b>3,229</b>
(NET DECREASE)/NET INCREASE IN CASH AND CASH EQUIVALENTS	<b>(620)</b>	<b>1,404</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<b>1,300</b>	<b>(104)</b>
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 1)	<b>680</b>	<b>1,300</b>

**Note 1:-**

Cash and cash equivalents consist of:-

	<b>The Group</b>	
	<b>FY2008</b> <b>S\$'000</b>	<b>FY2007</b> <b>S\$'000</b>
Cash and bank balances	28	1,647
Fixed deposits	2,400	1,400
Total cash, bank balances and fixed deposits	<b>2,428</b>	<b>3,047</b>
Less: Bank overdrafts – secured	(1,748)	(1,746)
	<b>680</b>	<b>1,300</b>

# Restatement arose due to a prior year adjustment which results in the consolidated profit after tax of the Group being reduced from about S\$301,000 (prior to the restatement) to about S\$138,000 (subsequent to the restatement). Please refer to the footnote to paragraph 1.(d)(i) for details of the prior year adjustment.

**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.**

	<u>The Group</u>						<u>Total</u> S\$'000
	<u>Share Capital</u>	<u>Accumulated Losses</u>	<u>Share Issue Expenses</u>	<u>Capital Reserve</u>	<u>Convertible Loan - Equity Component</u>	<u>Minority Interests</u>	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance at 1 April 2007, as previously reported	57,827	(53,361)	(127)	-	38	N/m	4,377
Prior year adjustment*	-	(163)	-	-	-	-	(163)
As restated	57,827	(53,524)	(127)	-	38	N/m	4,214
Issue of shares	1,470	-	-	-	-	-	1,470
Share issue expenses	-	-	(4)	-	-	-	(4)
Share option expenses	-	-	-	65	-	-	65
Conversion of convertible loan	-	-	-	-	(38)	-	(38)
Net profit for the year	-	2,183	-	-	-	-	2,183
<b>Balance at 31 March 2008</b>	<b>59,297</b>	<b>(51,341)</b>	<b>(131)</b>	<b>65</b>	<b>-</b>	<b>N/m</b>	<b>7,890</b>

	<u>The Group</u>						<u>Total</u> S\$'000
	<u>Share Capital</u>	<u>Accumulated Losses</u>	<u>Share Issue Expenses</u>	<u>Capital Reserve</u>	<u>Convertible Loan - Equity Component</u>	<u>Minority Interests</u>	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance at 1 April 2006	55,750	(53,662)	-	-	-	N/m	2,088
Issue of shares	2,077	-	-	-	-	-	2,077
Share issue expenses	-	-	(127)	-	-	-	(127)
Conversion of convertible loan	-	-	-	-	38	-	38
Net profit for the year	-	138	-	-	-	-	138
<b>Balance at 31 March 2007</b>	<b>57,827</b>	<b>(53,524)</b>	<b>(127)</b>	<b>-</b>	<b>38</b>	<b>N/m</b>	<b>4,214</b>

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

	<u>The Company</u>					<u>Total</u> S\$'000
	<u>Share Capital</u>	<u>Accumulated Losses</u>	<u>Share Issue Expenses</u>	<u>Capital Reserve</u>	<u>Convertible Loan - Equity Component</u>	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance at 1 April 2007, as previously reported	57,827	(54,605)	(127)	-	38	3,133
Prior year adjustment*	-	(163)	-	-	-	(163)
As restated	57,827	(54,768)	(127)	-	38	2,970
Issue of shares	1,470	-	-	-	-	1,470
Share issue expenses	-	-	(4)	-	-	(4)
Share option expenses	-	-	-	65	-	65
Conversion of convertible loan	-	-	-	-	(38)	(38)
Loss for the year	-	(316)	-	-	-	(316)
<b>Balance at 31 March 2008</b>	<b>59,297</b>	<b>(55,084)</b>	<b>(131)</b>	<b>65</b>	<b>-</b>	<b>4,147</b>

	<u>The Company</u>					<u>Total</u> S\$'000
	<u>Share Capital</u>	<u>Accumulated Losses</u>	<u>Share Issue Expenses</u>	<u>Capital Reserve</u>	<u>Convertible Loan - Equity Component</u>	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance at 1 April 2006	55,750	(53,442)	-	-	-	2,308
Issue of shares	2,077	-	-	-	-	2,077
Share issue expenses	-	-	(127)	-	-	(127)
Conversion of convertible loan	-	-	-	-	38	38
Loss for the year	-	(1,326)	-	-	-	(1,326)
<b>Balance at 31 March 2007</b>	<b>57,827</b>	<b>(54,768)</b>	<b>(127)</b>	<b>-</b>	<b>38</b>	<b>2,970</b>

\*Being adjustment made in relation to an other receivable, which is to be settled in marketable securities in lieu of cash, as the amount relates to a marked-to-market value of the marketable securities in excess of the amount to be received from the debtor with the gain being previously recognised in FY2007. The marketable securities are restricted for trade as at 31 March 2007, and based on the settlement agreement, any short fall from the amount due by the debtor will be topped up by the debtor in marketable securities.

**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.**

Changes in the Company's share capital during FY2008 are detailed as follows:-

- (a) The issuance of an aggregate of 21,000,000 new ordinary shares of the Company (the "Conversion Shares") to Value Monetization Limited ("VML") pursuant to the conversion of the S\$1.47 million convertible loan granted by VML to the Company under the Convertible Loan Agreement dated 25 August 2005 (as amended by the Supplemental Agreement dated 6 September 2006) entered into between the Company and VML;
- (b) The lapse of the options granted to Vizada (formerly known as Telenor Satellite Services AS) to subscribe for up to 128,000,000 new ordinary shares of the Company under an agreement entered into between Vizada and the Company on 30 January 2006; and
- (c) The grant of 16,280,000 employee share options to the employees of the Group and the directors of the Company under the Addvalue Technologies Share Option Scheme approved on 24 October 2001 to subscribe for a total of 16,280,000 new ordinary shares of the Company at exercise prices ranged between S\$0.12 and S\$0.125 per share. Net of the 750,000 employee shares options which had lapsed following the resignation of the staff concerned, the outstanding number of employee share options as at 31 March 2008 was 17,950,000 (FY2007: 2,420,000 outstanding employee share options to subscribe for 2,420,000 new ordinary shares at an exercise price of S\$0.12 per share).

**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.**

	<u>As at 31 March 2008</u>	<u>As at 31 March 2007</u>
Total number of issued ordinary shares (excluding treasury shares)	807,905,813	786,905,813

**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 2008.

**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 FY2008 as those in the audited annual financial statements for FY2007.

**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>	
	<b>As at 31 March 2008 S\$'000</b>	<b>As at 31 March 2007 S\$'000 (Restated)#</b>
<b>Net profit attributable to shareholders</b>	<b>2,183</b>	<b>138</b>
<b>Earnings per share</b>		
Basic (Singapore cents)	<b>0.27 cents<sup>(1)</sup></b>	<b>0.02 cents<sup>(2)</sup></b>
Diluted (Singapore cents)	<b>0.26 cents<sup>(3)</sup></b>	<b>0.02 cents<sup>(4)</sup></b>

**Notes:-**

- (1) Based on the adjusted weighted average number of 798,381,223 ordinary shares.  
(2) Based on the adjusted weighted average number of 769,170,543 ordinary shares.  
(3) Based on 825,855,813 ordinary shares, being the sum of the issued shares as at 31 March 2008 (including the Conversion Shares) and the number of outstanding employee share options granted under the Addvalue Employee Share Option Scheme as at 31 March 2008.  
(4) Based on 786,325,813 ordinary shares, being the sum of the issued shares as at 31 March 2007 and the number of outstanding employee share options granted under the Addvalue Employee Share Option Scheme as at 31 March 2007.

# Restatement arose due to a prior year adjustment which results in the consolidated profit after tax of the Group being reduced from about S\$301,000 (prior to the restatement) to about S\$138,000 (subsequent to the restatement). Please refer to the footnote to paragraph 1.(d)(i) for details of the prior year adjustment.

**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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 31 March 2008 S\$'000</b>	<b>As at 31 March 2007 S\$'000 (Restated)#</b>	<b>As at 31 March 2008 S\$'000</b>	<b>As at 31 March 2007 S\$'000 (Restated)#</b>
Net asset value as at end of financial year	<b>7,890</b>	<b>4,214</b>	<b>4,147</b>	<b>2,970</b>
Net asset value per ordinary share as at the end of financial year (Singapore cents)	<b>0.98 cents<sup>(1)</sup></b>	<b>0.54 cents<sup>(2)</sup></b>	<b>0.51 cents<sup>(1)</sup></b>	<b>0.38 cents<sup>(2)</sup></b>

**Notes:-**

- (1) Based on 807,905,813 issued shares.  
(2) Based on 786,905,813 issued shares.

# Restatement arose due to a prior year adjustment which results in the consolidated profit after tax of the Group being reduced from about S\$301,000 and the loss of the Company being increased from about S\$1.2 million (prior to the restatement) to a consolidated profit after tax of about S\$138,000 and a loss of about S\$1.3 million respectively (subsequent to the restatement). Please refer to the footnote to paragraph 1.(d)(i) for details of the prior year adjustment.

**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.**

We achieved a commendable performance for FY2008, with our profit attributable to shareholders increased by more than 15-fold from about S\$0.1 million in FY2007 to about S\$2.2 million in FY2008 and our working capital position reversed from a net current liabilities position of about S\$1.5 million as at 31 March 2007 to a net current assets position of about S\$0.4 million as at 31 March 2008.

**(a) Review of financial performance of the Group for FY2008 compared to FY2007**

**Turnover**

Our Group's revenues in FY2008 and FY2007 were as follow:-

Revenue stream	FY2008		FY2007		Increase/ (Decrease)
	S\$' m	%	S\$'m	%	S\$' m
Revenue relating to satellite communications	10.5	98.1	4.6	74.2	5.9
Revenue relating to tracking & telemetry system and digital wireless solutions	0.2	1.9	1.2	19.4	(1.7)
Licensing income relating to consumer products	-	-	0.2	3.2	(0.2)
Sale of consumer products	-	-	0.2	3.2	(0.2)
<b>Total turnover</b>	<b>10.7</b>	<b>100</b>	<b>6.2</b>	<b>100</b>	

With increased demand for our design services and products, principally BGAN terminals, relating to satellite communications, our total turnover increased markedly by about 71% from about S\$6.2 million in FY2007 to about S\$10.7 million in FY2008.

Notwithstanding the increased sales of our BGAN terminals in FY2008 relative to FY2007, our sales of BGAN terminals in FY2008 had been restrained by the following factors:-

- The anticipated full global coverage of BGAN services by Inmarsat Global Ltd ("Inmarsat") has yet to happen primarily as a result of a delay in the launch of its third I-4 satellite. The launch is believed to be re-scheduled till the second half of 2008.
- Slower switch over of the existing RBGAN customers of Inmarsat from the regional-based RBGAN terminals to the global-based BGAN terminals. However, with the December 2008 deadline for the termination of the RBGAN services drawing near, a spike in take-up rate from these RBGAN terminal users is expected in the near term.
- The progress in securing BGAN terminal sales and satellite communications related contracts from the Middle East market is taking a while to bear results.
- The BGAN market was still in its nascent state as 2007 was only the second year of the BGAN operations. A good part of 2007 was for the new and greatly enhanced satellite communications system to stabilize as well as for sales and marketing efforts to create market awareness and educate users.

The decrease in our revenue relating to navigation, tracking and telemetry system and digital wireless solutions was attributed mainly to the fact that the commercial launches of some of the products from these fields were made only towards the end of FY2008 following the completion of the relevant projects underpinning the products in the fourth quarter of FY2008.

The total hollowing out of our licensing income and sales of consumer products marked the completion of our efforts in exiting from the low margin consumer electronics business.

**Profitability**

Against the significant increase in revenue, our gross profit more than doubled from about S\$3.1 million in FY2007 to about S\$6.7 million in FY2008. Further, over the same financial years under consideration, our gross profit margin increased from about 50.0% in FY2007 to about 62.2% in FY2008 mainly as a result of higher design fee income recorded in FY2008 relative to FY2007 as design fees command higher margins relative to the sales of BGAN terminals.

The decrease in our other operating income from about S\$1.7 million in FY2007 to about S\$0.1 million in FY2008 was largely attributed to the one time settlement gains as well as gains derived from the partial divestment of a subsidiary recorded in FY2007.

Our distribution costs increased by about 108% from about S\$0.4 million in FY2007 to about S\$0.8 million in FY2008 due to the expansion of our global distribution network. The continued tight cost containment measures which we implemented 2 years ago continued to witness a decrease in our administration expenses by about 28% from about S\$2.2 million in FY2007 to about S\$1.6 million in FY2008.

## **(b) Review of financial position of the Group as at 31 March 2008 and 31 March 2007**

### **Working capital**

The increase in our inventories and work-in-progress, net off against the decrease in other receivables, deposits and prepayments as well as increase in trade payables and trust receipts, greatly enhanced our working capital position. The increase in inventories was attributed mainly to the slower take-up rate of BGAN terminals than expected for reasons as explained above while the increase in work-in-progress was attributed mainly to more work done on our various design contracts which have yet to be billed. The decrease in other receivables, deposits and prepayments was attributed mainly to the settlement of consideration receivable under a settlement arrangement during FY2008. The increase in trade payables and trust receipts was in tandem with our increased business activities.

### **Intangible assets**

The increase in our intangible assets by about 44% from about S\$4.6 million as at 31 March 2007 to about S\$6.6 million as at 31 March 2008 relates mainly to our increased development expenditure due mainly as a result of our in-house development efforts to expand our family of satellite communication products as in line with our strategy to grow our satellite communications business segment.

## **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The current announced results are in line with the prospect commentary previously disclosed to shareholders when we announced our first half year results for the financial year ended 31 March 2008. Consistent with our expectations on 14 November 2007, we registered a higher gross profit of about S\$3.7 million and profit after tax of about S\$1.2 million for the second half of FY2008 relative to that of about S\$3.0 million and S\$1.0 million respectively for the first half of FY2008.

## **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**

We will continue with our efforts to secure high value design and development contracts in satellite communications, tracking and telemetry as well as digital wireless design solution businesses. We will grow our revenue streams through the design and supply of spin-off products using our BGAN design platform as well as cultivate new airtime service revenue stream in the satellite communications arena.

We are currently and will continue actively pursue the following:-

### **(a) BGAN-related Business**

We are enriching our BGAN product portfolio by developing other classes of BGAN terminals and solutions as follows:-

**Land BGAN** - Our portable Class 3 BGAN terminal (Sabre™ 1) has won rave reviews from the industry since its inception last year. We shall expand the product family to include outdoor ruggedised version for remote and unmanned operations and higher speed terminals (Class 1 BGAN terminal) for the media and government markets. We are also developing a land mobile version for in-vehicle applications.

**Maritime BGAN** - Having secured a contract to design and supply a maritime BGAN product with voice and broadband data access features using our current BGAN platform, barring any unforeseen delay, we expect the product to be ready for commercialization by the second half of FY2009.

**Aeronautical BGAN** -- We are also exploring market opportunities for in-flight broadband satellite communication using our BGAN technologies.

### **(b) Other Satellite Communication-related Business**

Riding on our expertise in the satellite communication technology, we will actively seek out any lucrative satellite design and supply related business, including but not limited to the following:-

**Fleet Phone** - We believe that there is a good business potential in the design and supply of satellite-based voice communications products. One such application is to cater to cost-sensitive users in the fisheries and small leisure boats markets which may find the maritime BGAN solutions too feature-rich and expensive for their needs.

**Handheld Satellite Phone** - The technologies developed for the Fleet Phone can be re-deployed for handheld applications for voice and SMS services in meeting the needs of globe trotters, emergency relief workers and technology savvy users.

**Satellite Airtime Service** - We believe that the inclusion of satellite airtime reselling as part of our business model will take us to a greater height as the service will not only give us an additional revenue stream but more importantly, when successfully established, will provide the Group with a strong recurring revenue. As we have started some groundwork in this aspect in FY2007 with encouraging progress, we will intensify our pursuit in this airtime business opportunity.

**(c) Tracking & Telemetry and Digital Design Service**

**SCADA Telemetry Systems** - We have developed an innovative solution using our BGAN terminals and our proprietary interface device for SCADA (Supervisory, Control And Data Acquisition) applications for the energy and utility markets. These development efforts have generated significant interest from the oil and gas industries with an initial trial order received. Pending successful trial, we expect this BGAN-based SCADA Telemetry System to generate meaningful revenue in the second half of FY2009.

Our SCADA Telemetry Systems may also be customized to interface with other communication infrastructures such as GSM, private radio network or other satellite infrastructure to expand our market reach.

We will intensify our efforts to establish global distribution network for our range of satellite and telemetry products and expand our marketing reach in high growth regions such as the Middle East, North Asia and East Asia. In this regard, we have in May 2008 added Stratos Global Corporation ("Stratos"), the leading global provider of advanced mobile and fixed-site remote communications solutions, to our list of distributors, with particular emphasis for Stratos to promote our SCADA Telemetry Systems.

**Outlook**

Based on the secured orders on hand and the potential deals that we are currently pursuing on the BGAN terminals, BGAN related application projects and other satellite communications related projects, barring unforeseen circumstances, we expect our terminal sales as well as design fee incomes to continue to contribute significantly to the overall turnover of our Group for FY2009.

Barring any unforeseen circumstances or external factors which may impede the sales of our BGAN terminals or progress of our design projects, we are optimistic about our performance for the financial year ending 31 March 2009.

With regard to the substantial investment by Pytheas Ltd which we announced in February 2008, given the scale involved, due diligence for the investment is still on-going. An update will be provided in due course.

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

No dividend has been declared or recommended for FY2008.

**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.**

**Geographical segments**

<b><u>FY2008</u></b>	<b><u>Europe</u></b>	<b><u>North America</u></b>	<b><u>Asia</u></b>	<b><u>Total</u></b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
REVENUE	4,625 <u>43%</u>	3,629 <u>34%</u>	2,444 <u>23%</u>	10,698 <u>100%</u>
RESULT				
Segment result before amortisation	3,374	2,484	801	6,659
Amortisation	-	-	(326)	(326)
Segment result after amortisation	3,374	2,484	475	6,333
Unallocated expenses				(3,918)
Other income				136
Interest expense				(368)
Profit before tax				2,183
Taxation				-
Net profit for the year				<u>2,183</u>
<b><u>FY2007 (Restated)#</u></b>	<b><u>Europe</u></b>	<b><u>North America</u></b>	<b><u>Asia</u></b>	<b><u>Total</u></b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
REVENUE	3,492 <u>56%</u>	2,177 <u>35%</u>	579 <u>9%</u>	6,248 <u>100%</u>
RESULT				
Segment result before amortisation	1,972	1,156	(1)	3,127
Amortisation	-	-	(941)	(941)
Segment result after amortisation	1,972	1,156	(942)	2,187
Unallocated expenses				(3,415)
Other income				1,747
Interest expense				(369)
Profit before tax				150
Taxation				(12)
Net profit for the year				<u>138</u>

# Restatement arose due to a prior year adjustment which results in the consolidated profit after tax of the Group being reduced from about S\$301,000 (prior to the restatement) to about S\$138,000 (subsequent to the restatement). Please refer to the footnote to paragraph 1.(d)(i) for details of the prior year adjustment.

**Business segments**

A breakdown of our revenue by business segments is provided under paragraph 8 above.

**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.**

With our key customers predominantly based in or originated from Europe and North America, these regions, relative to Asia, had been the dominant contributing regions to our Group's financial performance in FY2007 and FY2008. However, moving forward, we expect Asia to increase its share of contribution to our financial performance in FY2009 and beyond as our efforts in cultivating the Asian market (including the Middle East) begin to bear fruits.

A review of our revenue by business segments is provided under paragraph 8 above.

## 15. Breakdown of sales

	<b>The Group</b>	
	<b>FY2008</b>	<b>FY2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
		<b>(Restated)#</b>
(i) Turnover reported for:		
First half year ended 30 September	<b>5,484</b>	3,522
Second half year ended 31 March	<b>5,214</b>	2,726
	<b>10,698</b>	6,248
(ii) Net profit reported for:		
First half year ended 30 September	<b>1,042</b>	46
Second half year ended 31 March	<b>1,141</b>	92
	<b>2,183</b>	138

# Restatement arose due to a prior year adjustment which results in the consolidated profit after tax of the Group being reduced from about S\$301,000 (prior to the restatement) to about S\$138,000 (subsequent to the restatement). Please refer to the footnote to paragraph 1.(d)(i) for details of the prior year adjustment.

## 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 2008**