



Beaming through
Surging forward



02	CHAIRMAN'S STATEMENT	
	FINANCIAL REVIEW	07
09	OPERATIONAL REVIEW	
	PRODUCTS AND SERVICES	13
21	COMPETITIVE STRENGTHS	
	BOARD OF DIRECTORS	24
	KEY MANAGEMENT	26
27	GROUP STRUCTURE	
	CORPORATE INFORMATION	28

Corporate Profile

Addvalue Technologies Ltd and its subsidiaries (collectively, "Addvalue" or the "Group") is a world renowned one-stop digital, wireless and broadband communications technology products innovator, which provides state-of-the-art satellite-based communication terminals and solutions for a variety of voice and IP-based data applications.

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, Satlink and Globe Wireless.

Through the recent years of business transformation, Addvalue has emerged to be a leading global developer and supplier of mobile satellite terminals,

supporting coverage provided by premier mobile satellite communication operators such as Inmarsat and Thuraya. These terminals are ideal choices for communications in areas around the world where terrestrial networks are non-existent, inept, ineffective or of poor value for money. This is particularly so for maritime communications which rely almost entirely on satellite communications, and Addvalue's products are well poised to address these needs.

Addvalue also offers customised design services, tailored to the unique needs of each of its existing and potential customers, with its total satellite communication solutions derived from its proven technologies, established capabilities as well as strong and tested working relationships with the world leading premier mobile satellite operators.



**From-anywhere-at-anytime total satellite communication solutions
= Our Technologies x Our Capabilities x Satellite Network**



Business Model of Addvalue

Revenue streams from the Provision of Design Services and the Supply of Products

Addvalue generates the bulk of its revenue streams from two main sources:

1. Development fees or design income from the provision of product and solution development service against contracts awarded by its key partners; and
2. Sales from supplying the abovementioned products and related application solutions.

As an authorised developer for Inmarsat BGAN terminals, the Group needs to provide products and solutions in tandem with Inmarsat's technologic and business strategic plan. In return, it receives from time to time development fees for providing such development services and also the commitment to supply these products and services.

The products and solutions of Addvalue are marketed under the Group's proprietary brand name of "Wideye™".

wideyeTM
liberating communications

As a competent product development house, Addvalue also provides product development services to a few key players in the satellite industry. These products, after being successfully developed by Addvalue, will be sold through the key player's unique and strong distribution and sales channels. By forging close alliances with these key players, Addvalue creates a "captive customer effect" through the supply of such customised products and solutions to these key players.

Air Time Revenue

While the development and sales of satellite communications products are core to its business, Addvalue, where appropriate, also derives share of air time revenue from its partners through creative bundling of commercial packages.

Outsourcing Manufacturing

It is a strategic decision that Addvalue will not have in-house manufacturing facility. As such, Addvalue outsources its manufacturing operations to a third party contract manufacturer. The Group manages the manufacturer through its team of supply chain and quality assurance specialists. Through the years of close collaboration and interaction with this external manufacturer and other key suppliers in the value supply chain, Addvalue has cultivated strong partnership with them to ensure the quality and timely delivery of products to the market. Through such outsourcing, Addvalue is able to focus in its forte to further enhance its core businesses.

Chairman's Statement

Dear Fellow Shareholders

After five years of striving hard and staying focus to develop a range of products to serve the global satellite communications market and having established a name for ourselves in this niche industry where good quality and reliability of performance and services are the key to success, I am proud to report that the Group has in this regard rose to the challenge and delivered a sterling set of breaking results for the financial year ended 31 March 2011 ("FY2011").

A Review of FY2011

With the satellite industry continues to be strong and in great demand, despite such uncertain economic conditions over the past year, the Group achieved a turnaround in profitability, with its gross profit soared by nearly three-fold from S\$3.7 million in the financial year ended 31 March 2010 ("FY2010") to S\$10.0 million in FY2011 and its gross profit margin significantly hiked from 30.8% in FY2010 to 49.0% in FY2011 while reversing drastically from a net loss of S\$3.3 million in FY2010 to a record net profit of S\$7.5 million in FY2011 and a loss per share of 0.38 cents in FY2010 to an earning per share of 0.78 cents in FY2011, against an all-time high turnover of S\$20.4 million for FY2011 compared to that of S\$12.0 million for FY2010.

As regards its financial position, the Group greatly improved (i) its working capital position 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) its gearing which markedly improved from 95.2% as at 31 March 2010 to 28.3% as at 31 March 2011; (iii) its net tangible asset ("NTA") position 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; and (iv) its net asset value ("NAV") per share by nearly three-fold from 0.59 cents as at 31 March 2010 to 1.7 cents as at 31 March 2011.



DR CHAN KUM LOK, COLIN
Chairman and CEO
Addvalue Technologies Ltd

Chairman's Statement

New Opportunities Ahead

Against sustaining robust demands for the Group's current range of products, the Group will continue to work closely with world leading satellite operators, including but not limited to Inmarsat Inc ("Inmarsat") and Thuraya Telecommunications Co ("Thuraya"), and its distribution partners to promote, market and distribute these products and expand its distribution networks to further enhance and entrench its global coverage.

In this aspect, the Group has commercialised two new mobile satellite communication terminals, namely the Seagull 5000 and Seagull 5000i Terminals, in FY2011 and launched a new mobile satellite communication terminal, namely the SAFARI™ Terminal, in the first financial quarter of the financial year ending 31 March 2012 ("FY2012").

Seagull 5000 and Seagull 5000i Terminals

The Seagull 5000 and Seagull 5000i Terminals, which are suitable for both maritime and land-based applications, were developed in partnership with Thuraya to suit the functional and budgetary needs of low-end mobile satellite users. Offering a cost-effective communication solution, such as voice, SMS and data services via Thuraya's satellite network, they target cost sensitive users who predominantly require voice and data services at less

“

The Group will continue to build upon its strengths of technical expertise to develop innovative products and services and, through forging of partnerships, expand its market presence and increase its market shares in the industry.

”

Chairman's Statement

than 60Kbps. Together with Seagull 5000i, an enhanced version of Seagull 5000 equipped with the facsimile feature, these terminals are ideally suited for the fishery industry in the Asia Pacific and Australia regions. The terminals, having been certified and endorsed by Thuraya, are keenly promoted by Thuraya to all its distributors globally. Thuraya, which presently provides cost effective mobile satellite services in more than 150 countries in Asia, Africa, Europe, Australia and the Middle East, has in recent months made significant stride with a Chinese based company to provide its services in China. This will positively benefit the Seagull range of products, which are well-positioned to take advantage of the large fishing vessels market in China.

In addressing the increasing needs of even more budget-conscious users, the Group also aims to launch in FY2012 another lower cost Thuraya-based satellite terminal, which shall be bundled with attractive air time deals offered by Thuraya exclusively to attract users, especially in South East Asia and East Asia.

SAFARI™ Terminal

The SAFARI™ Terminal, the Group's first land vehicular BGAN terminal, was launched in June 2011 for a wider market concerning vehicular fleet management, news

and broadcasting companies, companies engaging in exploration and expedition activities, rescue and disaster response organizations and military units around the world. Designed for the most demanding environments and ideal for vehicles on-the-move, the SAFARI™ Terminal is compact, lightweight and easy to carry, when travelling to various locations around the world.

Other Spin-Offs

The Group is also in discussion with several communications companies in East Asia to develop satellite terminals suited for the market there.

With a view to seize the immense opportunities avail in the large fishing vessels market in 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 stands ready to exploit them.



Chairman's Statement

A Word of Thanks

On behalf of the Board, I would like to extend my deepest appreciation to the management and staff for their dedication and hard work in helping the Group realize its many milestones during the year. I would also like to extend my thanks to our customers, business partners and suppliers for the unrelenting support and the confidence they have had in our Group.

I would also like to thank our Board members for their contributions and guidance in helping the Group overcome the many challenges over the past years. Allow me to take this opportunity to once again welcome Mr Michael Butler, the former President & Chief Operating Officer and an Executive Director of Inmarsat, to be a member of our Board and bringing with him invaluable experience, exceptional expertise and fresh perspective.

Last but not least, I am extremely grateful to you, our Shareholders, for your understanding and continued support for the Group through the year.

Dr Colin Chan Kum Lok
Chairman & CEO





Financial Review

Turnover

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).

Profitability

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. The net profit of the Group 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 earning per share of 0.78 cents in FY2011.

Financial Position

The exceptional set of results achieved coupled with the capitalisation 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; (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; and (iv) the NAV per share of the Group by nearly three-fold from 0.59 cents as at 31 March 2010 to 1.7 cents as at 31 March 2011.

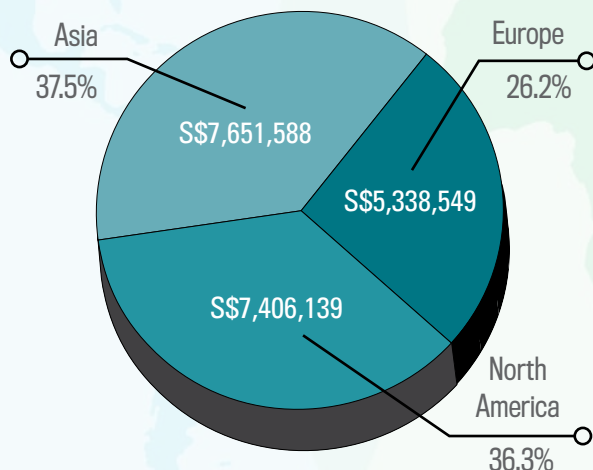
Since 31 March 2011, the Group had in June 2012 further strengthened its balance sheet by another S\$3.4 million through the issuance of 86 million new shares and thereby increasing its NTA to about S\$7.0 million as at the date of this annual report.

Revenue by Region

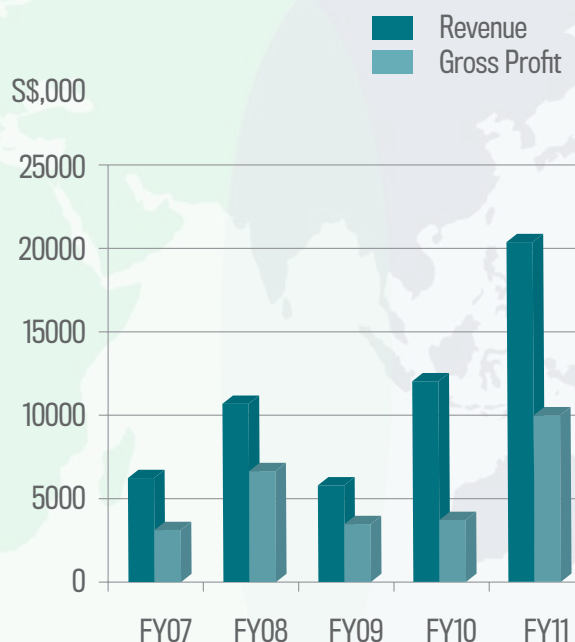
As at 31 March 2011

Revenue

Total revenue (S\$ 20,396,276)



Growth trend





Operational Review

Inmarsat Centric Products

Globe i250 System

While we continue to experience healthy demands for our existing range of Inmarsat centric products, we were proud to have partnered Globe Wireless Inc ("Globe Wireless"), a world leading on-board vessel communications facilitator and service provider, in the latter's launch of Globe iFusion service to the maritime industry in September 2010. Globe iFusion is the next generation maritime satellite communications solution, designed specifically for IP (Internet-Protocol) satellite systems that fully integrate shipboard satellite communications, shoreside administrative control, GSM voice and data, and a comprehensive crew communications service. The Group partnered Globe Wireless in the design and development of the Globe i250 system, the shipboard component of Globe iFusion, and integrated into the Globe i250 system is the FleetBroadband technology developed by the Group.

Apart from allowing users to make voice calls using a GSM handset or normal fixed-line telephone, send/receive email and facsimile (fax), browse the Internet, and up/down load files, the Globe i250 system also permits access to Globe Wireless' commercial applications on its system. The total solution provided by the new Globe i250 system ushers in a complete new way for shipping companies to manage communications with their ships.

As the world's leading provider of total solutions in the field of communications, operational and IT solutions for the maritime industry, Globe Wireless serves over more

than 550 ship operators with over 10,000 ships using its products and services. Given that the new Globe i250 system is the nucleus of this new generation of shipboard communication system, Globe Wireless has mounted a deployment program to progressively replace the old equipment with the Globe i250 system or install it on new installations. As the Globe i250 system is integrated with the FleetBroadband technology developed by the Group, the Group has been appointed the exclusive supplier of this system to Globe Wireless. The collaboration with Globe Wireless has not only added credence to the Group's capabilities on the development of BGAN terminals, but also provided a secured revenue stream for the growth of the Group.

Wideye™ SAFARI™ Terminal

In June 2011, during the CommunicAsia Singapore trade fair, we launched our Wideye™ SAFARI™ Terminal, an Inmarsat land vehicular BGAN terminal which we developed for installation in vehicles. It allow users to access both Internet (with Wifi capability) and voice communications in a moving vehicle, targeting a wider market concerning vehicular fleet management, news and broadcasting companies, companies engaging in exploration and expedition activities, rescue and disaster response organizations and military units around the world. Designed for the most demanding environments and ideal for vehicles on-the-move, the SAFARI™ Terminal is compact, lightweight and easy to carry, when travelling to various locations around the world.



Operational Review

Thuraya Centric Products

Seagull 5000 and Seagull 5000i Terminals

In March 2011, Thuraya, in partnership with our Group, announced the launch of the new Seagull 5000i Terminal as part of its maritime communications portfolio. The Seagull 5000 and Seagull 5000i Terminals are in-house developed products of the Group, designed specifically for small vessels or fishing boats. Providing voice, data, SMS and, in respect of Seagull 5000i Terminal only, facsimile services that are based exclusively over Thuraya's satellite network, these are maritime satellite communication devices that meet the needs of customers that require a high-quality, cost-effective satellite communications solution. The data capabilities of these terminals enable them to transmit vital information, such as the identity and position of a ship with the date and time stamped (an attribute which is increasingly becoming a mandatory requirement for many national maritime and fishery authorities concerning with Long Range Identification and Tracking (LRIT)), from anywhere within the Thuraya's coverage area, spanning across Asia, Europe, Africa, Australia and the Middle East, thereby making them a highly versatile maritime terminal for regional sea vessels.

In addressing the increasing needs of even more budget-conscious users, the Group also aims to launch another Thuraya-based terminal at affordable end user price in FY2012. 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.



Operational Review

Business Opportunities

The business growth drivers avail to the Group include but not limited to the following:

Trends in the Mobile Satellite Industry

A recent study conducted by Euroconsult EC⁽¹⁾ anticipates the Mobile Satellite Industry for the maritime segment in respect of the following two areas of communication to grow at the accompanying respective annual compound rates ("CAGR") from 2010 to 2015:

1. For broadband communications demand: At a CAGR of about 30% due to changing and improving satellite services usage pattern believed to be prompted by the trending downwards of airtime charges towards affordable levels with technology being introduced to help users get the most out of their bandwidth and increase ease of use. This is of particular relevance to Inmarsat and Thuraya. As well funded mobile satellite operators that are ever ready to extend and broaden their presence in the overall satellite ecosystem, both the companies employ advanced IP based technologies that are well inter-connected with the advanced terrestrial networks. With increasing efficiency in the deployment of resources brought about by the IP based technologies and intensifying competition among them and other MSS operators as well as from the Fixed Satellite System ("FSS") operators, these companies face continually eroding satellite air time charges to levels that are becoming more affordable to many more end users. In addition, these companies will have to continue with their investments into new products and services and in new generations of satellite of higher capability to remain competitive. This has not only paved the path but also opened up a plethora box of new applications and business opportunities for the Group and the like to explore and exploit.
2. For the Machine to Machine or M2M communications demand: At a CAGR of about 12% as M2M, which is a means of establishing the flow of data between machines and ultimately people and is used extensively in markets

such as transportation, heavy equipment, oil and gas, maritime, energy and utilities and also in public sector, offers via satellite connectivity the invaluable attractions of communication from anywhere at anytime and as an ideal way of reducing communication costs.

Over the same period from 2010 to 2015 and underpins in part by the above considerations, the study also expects demands for satellite communications from the merchant, fishing and leisure boats sectors to grow at a CAGR of about 30%.

Note:

- (1) Source: A Research Report on Maritime Telecom Solutions by Satellite - Global Market Analysis & Forecasts published in September 2010 by Euroconsult EC

Increasing Awareness of Needs for Safety and Emergency Response

Satellite communication remains to be the most effective means for any disaster response and rescue operation, be it on land or at sea. Not only there is an increasing level of international and national authorities to regulate requirements to use satellite-based technologies for tracking, identification and rescue operations on land and at sea, there is also an increasing awareness of consumers who are becoming more crisis-conscious.

Indispensability to Maritime Communications

Satellite communication remains the only viable communication means to all ocean-plying vessels around the world. It is also the ideal choice for communications in areas where terrestrial networks are non-existent, inept, ineffective or of poor value for money. Inmarsat's BGAN system and Thuraya's satellite system, both of which are 3G broadband and IP compatible and hence inter-operable with modern terrestrial networks, are perfect solutions to address these deficiencies.



Products and Services

Addvalue presently has a suite of more than six different satellite-based communication terminals, rich with features and application solutions, well suited for a wide range of land and maritime applications.

Highlights of such products and applications are provided as follows:

Wideye™ SABRE™ 1 Terminals

Addvalue's portable Class 3 BGAN terminal (Wideye™ SABRE™ 1) has won rave reviews from the industry since its inception in 2007.

On 5 October 2008, Addvalue contributed to the deployment of a 1,200-site BGAN mobile satellite network to support Brazil's first round of municipal elections. This was then an unprecedented exercise in terms of the scale of the use of Inmarsat terminals for such an application. The successful deployment of about 1,200 Wideye™ SABRE™ 1 BGAN terminals within a very short time frame and had over 400 of them transmitting data simultaneously earned Addvalue laudable recognitions by Inmarsat, Tesacom, a leading South American remote communication providers, and Stratos Global Corp ("Stratos"), one of the world's largest distributors of Inmarsat BGAN mobile satellite service.

An even bigger election-related application for the use of Addvalue's BGAN terminals came in 2010. Addvalue secured a contract to supply Smartmatic International Corp ("Smartmatic"), a world-class leading supplier of electoral solutions and services, with 5,500 Wideye™ SABRE™ 1 terminals for deployment in the Philippines for its 2010 National Elections (comprising the Presidential, Legislative and Local Elections) held on 10 May 2010. A total of 5,500 Wideye™ SABRE™ 1 terminals were successfully deployed by Smartmatic together with about 82,200 automated voting machines across 7,107 islands in the Philippines. The deployment set a new record as the world's largest BGAN terminal deployment for a single project. With over 1,400 Wideye™ SABRE™ 1 terminals

transmitting data simultaneously at a peak, this feat outdid the aforesaid previously held world record in October 2008 when 1,200 Wideye™ SABRE™ 1 terminals were deployed in facilitating Brazil's first round of municipal elections.

The Philippines' 2010 National Elections was the first computerised election held in the country. It was a big success with the first set of results delivered within 30 minutes after the close of voting and 92% of the votes of the entire country transmitted and tallied within 24 hours, a herculean accomplishment unheard of in the country's past history of elections.

These impressive track records of the use of the Wideye™ SABRE™ 1 terminals has made the product the world leading portable BGAN satellite terminal. It may, if not already has, become the de facto standard for similar election applications for other countries.



Wideye™ SABRE™ Ranger, SABRE™ Remote Terminals and SCADA Telemetry System

The Wideye™ SABRE™ Ranger and Wideye™ SABRE™ Remote terminals are ruggedised compact versions of our BGAN family of terminals. They can withstand all environmental challenges associated with remote SCADA (Supervisory, Control and Data Acquisition) applications. Targeting especially the oil and gas industries, they are

Products and Services



designed to operate 24/7 autonomously and reliably transmit mission critical data from hard-to-reach locations to user's corporate headquarters and receive instructions from there.

Complementing the Wideye™ SABRE™ Ranger and Wideye™ SABRE™ 1 Remote terminals, Addvalue has developed an innovative broadband telemetry solution based on its proprietary embedded interface device for SCADA applications for the energy and utility markets.

The deliberate and carefully orchestrated business and technical strategy to pursue business opportunities avail in remote autonomous machine-to-machine (M2M) telemetry and the SCADA industries have generated significant interest and success from the oil and gas industries. Already more than 1,000 units of confirmed purchase commitment have been secured by the Group as of end March 2011.

Wideye™ SKIPPER™ 150 FleetBroadband Terminals

Addvalue is one of the only two worldwide developers and suppliers of the FleetBroadband FB150 Inmarsat-based broadband mobile satellite terminal well suited for use by smaller vessel owners across a broad range of maritime markets. Branded as SKIPPER™ 150 terminals, it is much more competitively priced than its competitor with no lack of functionality and reliability specification.



Products and Services

The following are endorsements of Wideye™ SKIPPER™ 150 terminals by some of our users:

Endorsements by the UK's Royal National Lifeboat Institution ("RNLI")

RNLI was founded as a charity in 1824 to save the lives of people in distress in the seas around the British Isles. Since then it has grown to become an organization supported by 40,000 volunteers, providing a 24-hour lifeboat search and rescue service from 235 lifeboat stations around the coasts of the UK and the Republic of Ireland.



The demands on communications during a shout can be intense. The navigator might be getting our position from the coastguard while the mechanic will be talking to a casualty. Then we might need to talk to a doctor on shore or arrange to meet an ambulance. There is a lot of information to be passed, and it's got to be quick, clear and concise. The lifeboat is an extremely dynamic vessel. She can move around and change direction in any plane very, very fast. On one long shout, we had an extremely rough, head-on sea, so we have the biggest amount of motion you can get on a Severn Class boat. However, we never lost the SKIPPER™ FB150 connection. It performed extremely well. We like to see we can test the new kit to destruction, but in this instance we couldn't.

David Steenvoorden, Superintendent Coxswain



The Pride of the Humber [a lifeboat owned and operated by RNLI] in particular does not go out a long way quite regularly to commercial vessels, medical evacuations and that sort of thing, and the crew can find themselves 60 nautical miles out from the coast without any VHF cover. So the added benefit of having the SKIPPER™ FB150 is that you can have long-range communications that are also very secure.

I had that video by email on my desktop within minutes of it being shot and edited. That has tremendous value from the public relations point of view. It goes straight on to our website for the public to see. Without SKIPPER™ FB150, it would have taken 16 hours to get the video back to shore, because that is how long it took for the lifeboat to return from that particular shout."

Peter Bradley, Operations staff officer, RNLI



View video at new "http://www.youtube.com/watch?v=c11Q-PVv3EU for more details



Products and Services

Endorsements by operator of Skagern, a typical merchant vessel

The Skagern is typical of the many merchant vessels that ply the coastal waters of the world, carrying goods and raw materials. Her main cargo is timber and wood pulp, which she transports between the Baltic and the ports of North-West Europe. Most of her voyages last for four days or less.

When the Skagern is close to shore, her Captain can use existing land-based networks for voice and data communications. However, her voyages frequently take her beyond the range of these networks, so the Captain cannot rely on them for operational emails and other essential communications.

In the world increasingly dominated by internet-based communications and data transfers, ship management companies are looking for reliable and affordable new ways to guarantee uninterrupted data links between vessels and the shore. Their aim is to enhance operational efficiency and maximise the profitability of all commercial voyages.



"With SKIPPER™ FB150, we have a continual connection at sea or in port. We use SKIPPER™ FB150 every day for position reports, for updating our weather program and for communications with charterers and agents in the next port. Before we had it, we were always dependant on being in range of 3G, so that is a big advantage of having SKIPPER™ FB150."

Captain Emile Huizinga



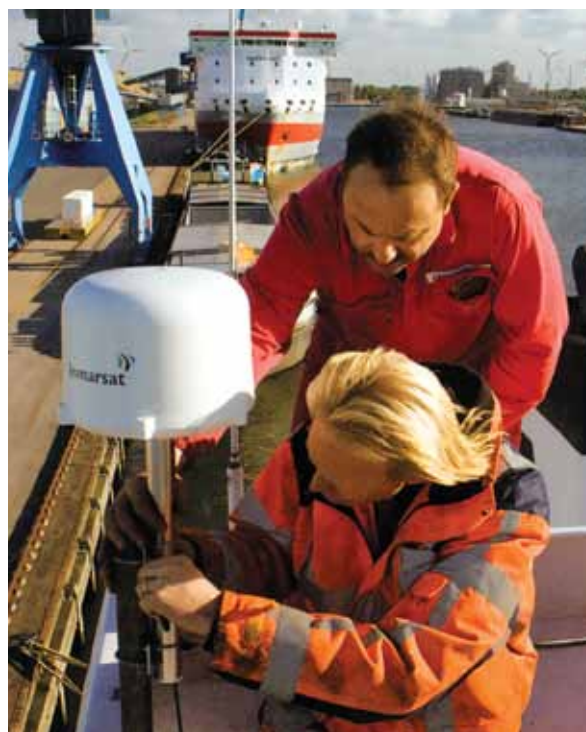
"From a chartering point of view, I can see that if there are changes in destination, we can communicate them to the vessel instantly. Or, if they are getting ahead of schedule, we can tell them to slow down in order to save fuel. It is a commercial advantage for us and the ship's owners to have this system onboard.

If there is a problem, the crew can immediately get help from shore with 505 Emergency Calling, so there are safety benefits from SKIPPER™ FB150."

Marcel van Veen, Superintendent, Marine Ship Management



View video at http://www.youtube.com/watch?v=N6V1MroF_il for more details



Products and Services



Satlink FB250 FleetBroadband Terminals

Under a product development contract with Satlink S.L. ("Satlink"), a leading fishing vessels communications and navigation provider in Spain, Addvalue developed an Inmarsat-based FB250 terminal for private branding by Satlink. This contract makes Addvalue the exclusive supplier of the terminal to Satlink. The Satlink FB250 FleetBroadband terminal, which offers traditional telephony, facsimile, SMS (Short Messaging System), email services and internet access, is capable of supporting the latest web-based applications at higher data rates, such as video conferencing, VoIP (Voice over Internet Protocol), instant messaging, real-time electronic chart, weather update, vessel telemetry, files transfer etc. Addvalue has shipped more than 1,500 units to Satlink since the first commercial launch of the product in June 2009.

In recent times, mandatory European Union legislation requires all fishing vessels of over 15 metres in length to migrate their logbook operation from manual to an electronic recording and reporting system (ERS) by July 2011, with the first phase of legislation, concerning vessels of over 24 metres in length, took effect from 1 January 2010. The e-logging system is expected to provide real-time catch information so as to ensure that larger fish stocks are harvested efficiently and at sustainable levels. Satlink, through a consortium, won the first European Fishing e-logbook contract awarded to the Republic of Ireland using the Satlink FleetBroadband 250 Maritime Terminal solution. Ireland, through its Cork based Sea Fisheries Protection Authority (SFPA) (a competent authority for the enforcement of sea-fisheries protection and seafood safety legislation in Ireland and throughout Ireland's exclusive fishery limits), is the first member of the European Union (EU) to be awarded the ERS contract.

Winning this first tender is significant to Addvalue as it has accorded the Group a track record in clinching future tenders to be initiated by the other European countries to meet the demands of the EU directive. The market for the FB250 FleetBroadband terminal is indeed very promising because, not even counting the market for new builds, there are currently about 10,000 vessels across Europe that have yet to meet the ERS requirements.



Products and Services



Globe Wireless i250 Terminals

Under another product development contract separately with Globe Wireless Inc (“Globe Wireless”), a world leading on-board vessel communications facilitator and service provider, Addvalue developed another highly intelligent terminal for Globe Wireless known as the Globe i250 system. The system is the shipboard component of a next generation maritime satellite communications solution, designed specifically for IP (Internet-Protocol) satellite systems that fully integrate shipboard satellite communications, shoreside administrative control, GSM (Global System for Mobile Communications) voice and data, and a comprehensive crew communications service.

The Globe i250 system allows the user to make voice calls using a GSM handset or normal fixed-line telephone, send/receive email and facsimile (fax), browse the Internet, and up/down load files. It also allows users to access Globe Wireless' commercial applications on the system. The total solution provided by this new Globe i250 system offers a complete new way for shipping companies to manage communications with their ships.

Globe Wireless, the world's leading provider of total solutions in the field of communications, operational and IT

solutions to the maritime industry, serves over 550 ships operators with over 10,000 ships using its products and services. Given that the Globe i250 system is the nucleus of its new generation of shipboard communication system, Globe Wireless has mounted a deployment program to progressively replace the old equipment with the Globe i250 system or install it on new installations. Integrated into the Globe i250 system is the FleetBroadband technology developed by the Group, and as such Addvalue is appointed the exclusive supplier of this terminal to Globe Wireless. This collaboration with Globe Wireless has not only added credence to Addvalue's capabilities on the development of BGAN terminals, but also provided a secured revenue stream for the growth of the Group.



Products and Services



Seagull 5000 and Seagull 5000i Terminals

The Seagull 5000 and Seagull 5000i terminals are suitable for both maritime and land-based mobile applications. They were developed in partnership with Thuraya to suit the functional and budgetary needs of low-end mobile satellite users. Offering a cost-effective communication solution, such as voice, SMS and data services via Thuraya's satellite network, they target cost sensitive users who predominantly require voice and data services at less than 60Kbps. Seagull 5000i is enhanced with the capability to support analog facsimile services via FaxConnect™, a dedicated interface device for connecting to a G3 facsimile machine. Both Seagull 5000 and Seagull 5000i are ideally suited for the fishery industry in the Asia Pacific and Australia regions. The terminals, having been certified and endorsed by Thuraya, are keenly promoted by Thuraya to all its distributors globally. Thuraya, which presently provides cost effective mobile satellite services in more than 140 countries in Asia, Africa, Europe, Australia and the Middle East, has in recent months made significant stride with a Chinese based Group to provide its services in China. This will positively benefit the Seagull range of products, which are well positioned to take advantage of the large fishing vessels market in China.





Competitive Strengths

The competitive strengths of Addvalue are as follows:

Competency in Communications Technologies

Addvalue has a competent technical team equipped with proven track records in the design and development of satellite communications products or communications products that utilise similar technologies. The possession of the various core technical competencies gives the Group a unique competitive edge.

Ready Core Modules for BGAN Terminal Design and Product's Quick Time to Market

Through the course of successfully developing the various BGAN terminals, Addvalue, having accumulated invaluable design experience and expertise, has a suite of modular and scalable proprietary technology platforms in terms of hardware and firmware designs. These platforms, which stand ready for bespoke final product design required by the end customers, allow for quick turn-around time to launch a new BGAN terminal from paper design concept to the commercialisation of the finished goods.

Ability to Provide Turnkey Project Management and Comprehensive Solutions

Addvalue has the ability to provide total turnkey solutions with its strong project management and process capabilities that cut across all functional competencies. Its turnkey solutions cover the entire spectrum from conceptualisation, design, procurement of regulatory approvals and to production.

Addvalue has an in-depth understanding of the underlying commercial and regulatory requirements and practical considerations required to mass produce commercially viable products at competitive costs. Coupled with its turnkey solutions and comprehensive project management capabilities, it can provide customers with a single contact point. This simplified point-of-service ultimately

translates into better quality products as well as savings in time and cost for the customers.

Ability to Provide Customised Solutions

Addvalue's track record shows that it understands its customers' requirements and is able to provide them with customised solutions that meet their complex needs. Where necessary, the Group conducts feasibility studies for customers and provides a comparison of the various solutions available. As its understanding of product specifications extends to regulatory requirements, its ability to provide customised solutions includes obtaining the necessary regulatory approvals for telecommunications products around the world.

Manufacturing Support Know-How and Experience, and Proximity to Low Cost Manufacturing

With an in-house manufacturing support team, Addvalue is capable of carrying through the design transfer to mass product production. The capability entails the setting up of production lines and test facilities, quality checks and optimising process flows. Being based in Asia, it has the additional advantage of being close to a wide choice of capable contract manufacturers which provide quality production services at attractive cost.

Access to Local Technical Support and Infrastructure

As the only company in Singapore conducting complex technologic development work for mobile satellite equipment, Addvalue, being well recognised in Singapore as a forward looking company engaging in high-value economic activities, attract supports from the Singapore government for several of its technologic growth plans. Leveraging on the high level of technical expertise accorded by the institutes of higher learning and research and sophisticated world recognised test agencies based in Singapore, Addvalue has, at its disposal, access to the technical resources and consultancy services provided by these invaluable third-party organisations.

Competitive Strengths

Chosen Few in the Mobile Satellite Industry

Addvalue is one of the few companies in the world that have a full range of capabilities to develop and manufacture a complete BGAN terminal. It is one of the only three Inmarsat's authorised developers that supply and distribute a range of land and maritime BGAN terminals. Because of the complex technologies involved, niche nature of the market concerning high level of regulatory policies, the mobile satellite industry is a closely regulated industry which poses a high entry barrier to newcomers.

People Oriented Culture

Being a people-oriented organisation, Addvalue's organisational philosophy embraces the elements of creativity, trust, respect, sense of urgency, accountability and responsibility. Over the years, the Group, which has built up an organisational climate that cultivates personal excellence and teamwork, is staffed with a workforce which is highly motivated and passionate about work.





Board of Directors

Dr Chan Kum Lok, Colin

Chairman and Chief Executive Officer

Dr Chan, the key founder of the Group, is responsible for the overall management of financials, investor relations, operations and formulation of business strategies and policies of the Group. As a Mechanical Engineer with more than 27 years of experience in communications product design and manufacturing, business development and corporate management, he was responsible for formulating the strategies in restructuring and transforming the Group to be a satellite communications focused company. Dr Chan graduated with a Bachelor of Science Degree in Mechanical Engineering with First Class Honours from the University of Strathclyde, UK, and was conferred a PhD in Mechanical Engineering from the same university in 1984.

Mr Tan Khai Pang

Chief Operating and Technology Officer

Mr Tan, one of the co-founders, has more than 27 years of experience in product development and project management in the field of telecommunications. In the past twelve years, his work was primarily focused on satellite communications product development and strategic business management. He was instrumental in re-moulding the Group's strategies and organizational competences necessary for the successful business transformation of the Group from consumer product-centric to satellite-based terminals and related application-focus. His in-depth understanding of the industry and the competing forces helps the Group position its niche in the market. He oversees the business development and technologic development in order to ensure an integrated and cohesive overall Group strategic direction. Mr Tan graduated from the University of Knoxville, USA with a Bachelor of Science Degree in Electrical Engineering with Highest Honours. He holds a Master of Science Degree in Engineering (Telecommunications) from the University of California, Los Angeles Campus, USA.

Mr Tan Juay Hwa

Executive Director

Mr Tan, one of the co-founders, has more than 27 years of experience in communications design, proprietary software technology development for communications products and product development management. In the past ten years, his primary focus was on firmware development for satellite communication products, including testing and manufacturing firmware for such products. Mr Tan holds a Diploma in Electronics from the Ngee Ann Polytechnic, Singapore and Graduate Diplomas in Marketing Management and Business Administration from the Singapore Institute of Management, Singapore. He also holds a Master of Business Administration Degree from the Open University, UK.

Board of Directors

Mr Lim Han Boon

Independent Director

Mr Lim was appointed to the Board on 4 October 1996 and serves as an independent non-executive director of the Company. He is also the Chairman of our Audit and Nominating Committees. With more than 15 years of experience in investment banking and private equity financing services, he has been advising the Company on matters concerning financial reporting, compliance with listing rules and other regulatory requirements, upholding of good practices for sound corporate governance, fund raising and corporate restructuring etc. Mr Lim holds a Master of Business Administration (Finance) Degree from the City University, UK and a Bachelor of Accountancy Degree from the National University of Singapore, Singapore. He is a Fellow Member of the Institute of Certified Public Accountants of Singapore and a Full Member of the Singapore Institute of Directors.

Ang Eng Lim

Independent Director

Mr Ang was appointed to the Board on 13 October 2006 and serves as an independent non-executive director of the Company. He is also the Chairman of our Remuneration Committee. Mr Ang is a Certified Public Accountant of Singapore and a Fellow Member of the Association of Chartered Certified Accountants and the Insolvency Practitioners Association of Singapore Limited. He has more than 30 years of experience in areas relating to the provision of audit assurance, accounting, tax consultancy, corporate secretarial and general management services, including more than 25 years as a Practising Accountant. Mr Ang is a partner of R Chan & Co, a firm of Certified Public Accountants, since 1980.

Michael J Butler

Independent Director

Mr Michael J Butler was appointed to the Board on 1 September 2010 and serves as an independent non-executive director of the Company. Mr Butler, a British national, has over 20 years of successful commercial experience in world-class, high technology businesses, including more than ten years in senior general management roles with full P&L responsibility. From May 2000 to April 2009, Mr Butler was Managing Director, then President & Chief Operating Officer and an executive board director of Inmarsat, a FTSE 100 company. Inmarsat, the acknowledged world leader in the provision of global, mobile satellite communications services to enterprise and government customers – on land, at sea and in the air, provides voice, data and broadband services in over 200 countries, via a worldwide network of over 500 partner organizations.

Key Management

Ms Chow Choi Fun

Financial Controller

Ms Chow, the Financial Controller of the Company, joined the Company in 2010. She is responsible for the accounting, financial, secretarial and tax related matters of the Company. She is in the accounting profession for more than 20 years with more than 8 years working experience in Singapore listed companies. Prior to joining the Company, she was the Financial Controller of a SGX Main Board listed marine company from April 2007 to July 2010 and was the General Manager - Finance of a SGX Main Board listed electronic company from February 2006 to March 2007 and the Corporate Finance Manager of another SGX Sesdaq listed electronic company from July 2002 to January 2006. Ms Chow is a Fellow Member of the Chartered Association of Certified Accountants and an Associate member of the Institute of Certified Public Accountants of Singapore.

E.M.L. Ekanayake

Senior Hardware Design Manager

Mr Ekanayake joined the Group in 1996 and is specialising in electronics hardware design. He has more than 20 years experience in the areas of analog and digital telephony-related product development, hardware design for Satellite communication products, and design and development of tracking, navigation and remote monitoring products using GPS, GPRS technologies. Mr Ekanayake graduated from the University of Peradeniya (Sri Lanka) with a Bachelor of Science (Hons) Degree in Engineering and he holds a Graduate Diploma in Information Communication Technology from Nanyang Technological University.

K. Kalaivanan

Senior Software Design Manager

Mr Kalaivanan joined the Group in 1996 and is specialising in telecommunications software development especially in the area of wireless communications and networking protocols. He has more than 20 years of experience in telecommunications industry involved in various research and development projects. He has vast experience in product development and project management, especially in wired and wireless communications products such as V.32bis modem, network management systems, DECT, WDCT, bluetooth, ad-hoc wireless communications, protocol analyzers, SCADA, tracking and navigation and satellite communications products. He managed the software development of the Inmarsat BGAN satellite terminal projects.

Mr Kalaivanan graduated from Annamalai University, India with a Bachelor of Engineering (Hons) Degree in Electronics and Instrumentation. He also holds 2 Masters Degrees, one in Master of Engineering (Hons) in Instrument Technology from Madras Institute of Technology, Anna University, India and another Master of Science in Communications Software Management, specialised in Data Communication and Networking Software, from the University of Essex, UK.

Lee Kim Hock, Michael

Human Resource & Administration Manager

Mr Lee joined the Group in July 2005 and is responsible for the Group's human resource functions as well as operational administrative matters. Prior to joining the Group, he was the Human Resource and Administrative Manager of a manufacturing company. Mr Lee has more than 12 years of experience in the area of staffing, compensation and benefits, training as well as human resource planning and development. He holds a Bachelor of Business Administration Degree from the National University of Singapore.

Group Structure



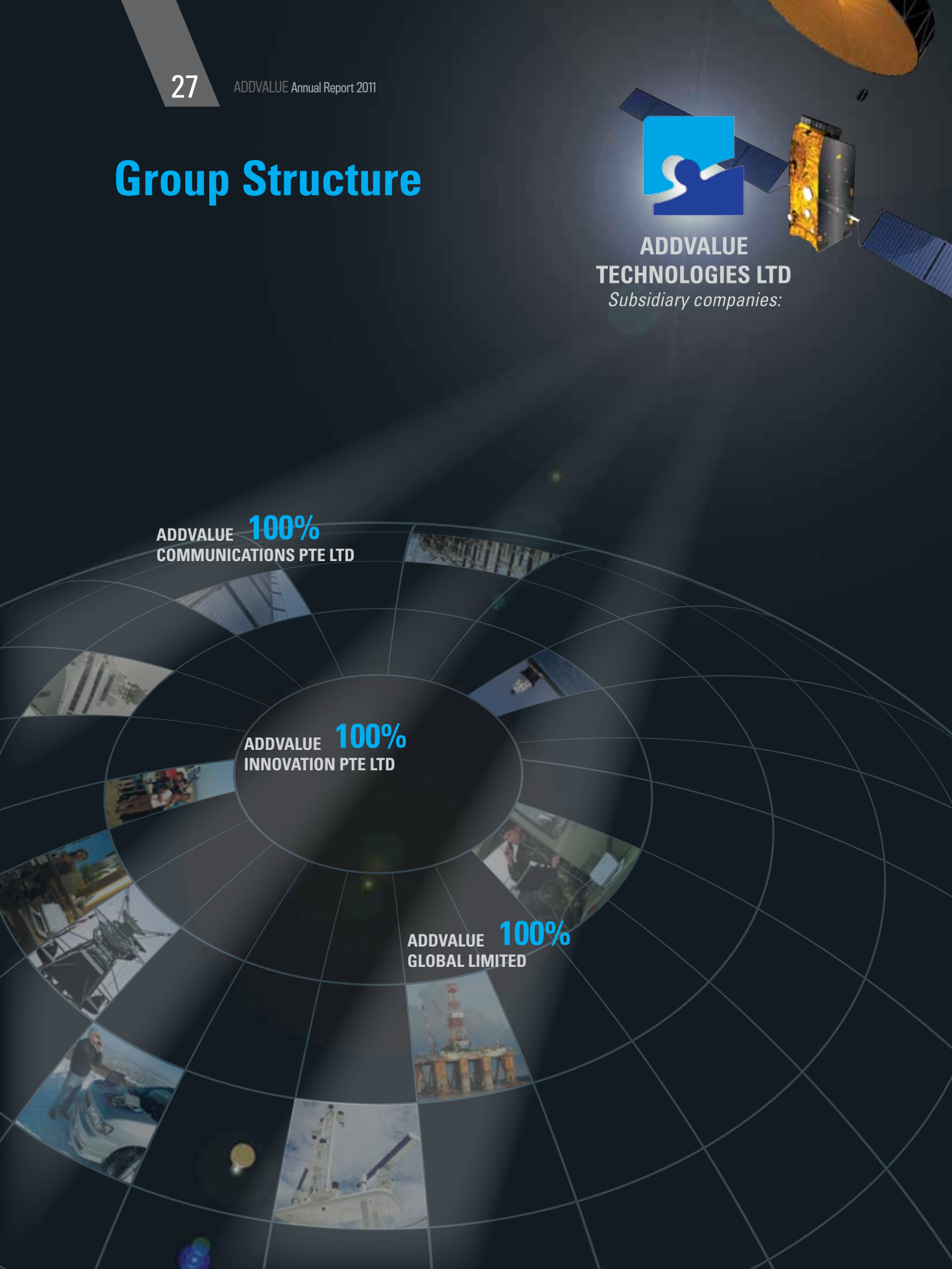
**ADDVALUE
TECHNOLOGIES LTD**

Subsidiary companies:

ADDVALUE 100%
COMMUNICATIONS PTE LTD

ADDVALUE 100%
INNOVATION PTE LTD

ADDVALUE 100%
GLOBAL LIMITED



Corporate Information

Board of Directors

Dr Chan Kum Lok, Colin
Chairman and CEO

Mr Tan Khai Pang
Executive Director

Mr Tan Juay Hwa
Executive Director

Mr Lim Han Boon
Independent Non-Executive Director

Mr Ang Eng Lim
Independent Non-Executive Director

Mr Michael J Butler
Independent Non-Executive Director

Audit Committee

Mr Lim Han Boon (*Chairman*)
Mr Ang Eng Lim
Mr Tan Khai Pang
Mr Michael J Butler

Nominating Committee

Mr Lim Han Boon (*Chairman*)
Mr Ang Eng Lim
Mr Tan Khai Pang
Mr Michael J Butler

Remuneration Committee

Mr Ang Eng Lim (*Chairman*)
Mr Lim Han Boon
Mr Tan Khai Pang
Mr Michael J Butler

Company Secretary

Ms Foo Soon Soo

Registered Office

28 Tai Seng Street #06-02
Singapore 534106
Tel: +65 6509 5700
Fax: +65 6509 5701

Registrar

KCK CorpServe Pte Ltd
333 North Bridge Road #08-00
KH KEA Building
Singapore 188721
Tel: +65 6837 2133
Fax: +65 6339 0218

Auditors

Crowe Horwath First Trust LLP
7 Temasek Boulevard #11-01
Suntec Tower One
Singapore 038987
Partner-in-charge: Mr Alfred Cheong
Date of Appointment: 4 May 2007

Company Registration Number

199603037H

Corporate Governance Report & Financial Contents

30	Corporate Governance Report	
	Directors' Report	40
45	Statement by Directors	
	Independent Auditors' Report	46
48	Statements of Financial Position	
	Consolidated Statement of Comprehensive Income	50
51	Consolidated Statement of Changes in Equity	
	Consolidated Statement of Cash Flows	52
54	Notes to the Financial Statements	
	Analysis of Shareholdings	109
110	Notice of Annual General Meeting	
	Proxy Form	

Corporate Governance Report

The Board of Directors of the Company (the “Board”) is committed to ensure that high standards of corporate governance and transparency are practiced for the protection of the interests of Shareholders. This statement outlines the Company’s corporate governance processes with specific reference to the Code of Corporate Governance (“Code”). In areas where the Company deviates from the Code, the rationale is provided.

BOARD MATTERS

Board’s Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company

The Board is responsible for protecting and enhancing long-term Shareholders’ value. It provides directions and guidance to the overall management of the Group. The Board comprises three Executive Directors and three Independent Directors. Newly appointed Directors will be given an orientation program to familiarise themselves with our Group’s operation. The experience and competency of each Director contribute to the overall effective management of the Group.

The primary role of the Board includes the following:

- Setting and approving policies and strategies of the Group
- Reviewing and approving the financial performance of the Group, including its quarterly and full year financial results announcements
- Reviewing the adequacy of the Group’s internal controls and the financial information reporting system
- Monitoring the Board composition, Director selection and Board processes and performance
- Reviewing and approving remuneration packages of the Board members and key executives
- Reviewing business results, monitoring budgetary control and effecting corrective actions
- Authorizing and monitoring major transactions such as fund raising exercises and material acquisition

To facilitate effective management, certain roles have been delegated to various Board members by the establishment of an Audit Committee, Nominating Committee and Remuneration Committee. These Committees function within clearly defined terms of reference which are reviewed on a regular basis. The effectiveness of each Committee is also closely monitored.

The Board meets regularly, formally or otherwise, and as warranted by particular circumstances or as deemed appropriate by the Board members. Attendance via audio or audio-visual equipment is permitted under Article 110(4) of our Company’s Articles of Association. To assist the Board in fulfilling its responsibilities, the Board will be provided with management reports and papers containing adequate, relevant and timely information to support the decision making process.

Corporate Governance Report

Matters which requires the Board's approval include the following:

- Review the performance of the Group
- Approval of the corporate strategy and direction of the Group
- Approval of transactions involving a conflict of interest for a substantial shareholder or a Director or interested person
- Material acquisitions and disposals
- Corporate or financial restructuring
- Declaration of dividends and other returns to Shareholders
- Appointment of new Directors.

At the date of this Annual Report, excluding ad hoc informal meetings and discussions carried out via teleconferencing or emails, our Company convened three Board of Directors' meetings, three Audit Committee meetings, one Nominating Committee meeting and one Remuneration Committee meeting during the financial year ended 31 March 2011.

The Directors' attendance at the above-mentioned meetings are detailed as follows:

Director	Board	Audit	Nominating	Remuneration
Dr. Chan Kum Lok, Colin	3	N/A	N/A	N/A
Tan Juay Hwa	3	N/A	N/A	N/A
Tan Khai Pang	3	3	1	1
Lim Han Boon	3	3	1	1
Ang Eng Lim	3	3	1	1
Michael J Butler	3	3	1	1

BOARD COMPOSITION AND BALANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises six members, three of whom are independent and non-executive, namely Mr Lim Han Boon, Mr Ang Eng Lim and Mr Michael J Butler. Key information regarding the Directors and their appointments on various Board Committees is also contained herein. There are presently three Committees commissioned by the Board, namely the Audit Committee, the Nominating Committee and the Remuneration Committee. All Committees are chaired by an Independent Director, with majority of members being non-executive and independent.

The Board members, collectively, have a diverse spread of expertise covering business and management experience, industry knowledge, strategic planning skills, accounting and financial knowledge. Our Company is of the view that the Board, as a whole, provides core competencies necessary to meet the Group's requirements, taking into account the nature and scope of the Group's operations. In carrying out their obligations as Directors of our Company, access to independent professional advice, where necessary, is also available to all Directors, either individually or as a group, at the expense of our Company.

Corporate Governance Report

The composition of the Board is reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of diversity, expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.

The Board is of the opinion that the current size of the Board is adequate, taking into account the nature and scope of the Group's operations.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Since the incorporation of the Company, the Company has not adopted a dual leadership structure, whereby there is a separate Chief Executive Officer and Chairman on the Board. The Executive Directors are deeply involved in managing the daily operations of the Group and are expected to act in good faith and always in the interests of the Group. The working of the Board and the executive responsibility of the Group's business are interconnected. The Executive Directors, including the Chairman, who understand the business of the Company and the Group thoroughly, will provide better guidance to the decisions and workings of the Board. Hence, there is no immediate plan to create a separate dual function.

In addition, there are constant communications among Board members and any key decision will require the approval from all Directors prior to implementation.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board.

The Nominating Committee was established in October 2002 and currently comprised the following members, three of whom are independent and non-executive:

Lim Han Boon (Chairman/Independent and non-executive)
Ang Eng Lim (Member/Independent and non-executive)
Michael J Butler (Member/Independent and non-executive)
Tan Khai Pang (Member/Executive Director)

The role of the Nominating Committee is to make recommendations to the Board on all board appointments. The Committee is charged with the responsibility of re-nomination having regard to the Director's contribution and performance, including, if applicable, as an Independent Director. The Nominating Committee is also charged with determining annually whether or not a Director is independent.

In addition, Article 104 of our Company's Articles of Association provides that except for the Managing Director, "at least one third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation".

Corporate Governance Report

The Company has in place policies and procedures for the appointment of new directors including the description on the search and nomination process.

BOARD PERFORMANCE

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board.

The Nominating Committee had established a formal evaluation process to assess the effectiveness of individual Directors and of the Board as a whole.

The overall assessment of individual Directors and of the Board as a whole was good for the financial year ended 31 March 2011, and it is the Board's endeavour to further improve and enhance its effectiveness over the Group's financial performance. The Board is also satisfied that each Director has allocated sufficient time and resources to the affairs of the Group.

ACCESS TO INFORMATION

Principle 6: In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.

Periodic financial summary reports, budgets, forecasts and other disclosure documents are provided to the Board, where appropriate, prior to Board meetings. The Board has separate and independent access to our Company Secretary and key executives.

Our Company Secretary and/or its representatives is present at all formal Board meetings to respond to the queries of any Director and to assist in ensuring that board procedures and applicable rules and regulations are followed.

Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Board has adopted a policy to seek independent professional advice, in order for the Directors to effectively discharge their duties and responsibilities.

REMUNERATION MATTERS

Principle 7: There should be a formal and transparent procedure for fixing the remuneration packages of individual Directors. No director should be involved in deciding his own remuneration.

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more for this purpose. A proportion of the remuneration, especially that of executive directors, should linked to performance.

Corporate Governance Report

The Remuneration Committee was established in May 2000 and currently comprised the following members, three of whom are independent and non-executive:

Ang Eng Lim (Chairman/Independent and non-executive)
 Lim Han Boon (Member/Independent and non-executive)
 Michael J Butler (Member/Independent and non-executive)
 Tan Khai Pang (Member/Executive Director)

The role of the Remuneration Committee is to recommend to the Board a framework for remunerating the Board and key executives and to determine specific remuneration packages for each Executive Director of our Company.

Our Company's remuneration policy is to provide compensation packages at market rates which reward good performance and attract, retain and motivate employees and Directors.

The Remuneration Committee will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director when determining remuneration packages.

The Board has also recommended a fixed fee for non-executive Directors, taking into account the effort, time spent and responsibilities of each non-executive Director. The fees of non-executive Directors will be subject to Shareholders' approval at the Annual General Meeting.

The remuneration policy for key executives is based largely on the Group's performance and the responsibilities and performance of each individual key executive. The Committee members recommend the remuneration packages of key executives for Board's approval.

In addition, the Remuneration Committee administers our Company's Addvalue Technologies Employees' Share Option Scheme (the "Scheme") which was approved and adopted by Shareholders at an Extraordinary General Meeting held on 24 October 2001. Salient details of the Scheme are provided in the Directors' Report.

Principle 9: Each Company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report.

Details of the remuneration paid or proposed to be paid to the Directors of our Company for the financial year ended 31 March 2011 are set out below:

Remuneration Bands	Director	Director's Fees (%)	Fixed Salary* (%)	Benefits (%)
\$500,000 and above	Nil			
\$250,000 to \$499,999	Dr. Chan Kum Lok, Colin	-	82	18
	Tan Khai Pang	-	80	20
Below \$250,000	Tan Juay Hwa	-	84	14
	Lim Han Boon	100	-	-
	Ang Eng Lim	100	-	-
	Michael J Butler	100	-	-

*The fixed salary amounts include salary, annual wage supplements and Central Provident Fund contribution.

Corporate Governance Report

Details of the remuneration paid to the key senior executives (who are not also Directors) for the financial year ended 31 March 2011 are set out below:

Remuneration Bands	Name of Executive	Designation	Fixed Salary* (%)	Benefits (%)
\$500,000 and above	Nil			
\$250,000 to \$499,999	Nil			
Below \$250,000	Chow Choi Fun	Financial Controller	100	-
	EML Ekanayake	Senior Manager, Product Development	100	-
	K Kalaivanan	Senior Manager, Product Development	100	-
	Lee Kim Hock, Michael	Human Resource & Administration Manager	100	-

*The fixed salary amounts include salary, annual wage supplements and Central Provident fund contribution.

No employee of our Company or its subsidiaries was an immediate family member of a Director or the Chief Executive Officer during the financial year ended 31 March 2011.

The Addvalue Technologies Employees' Share Option Scheme

The salient details of the Scheme are explained in the Directors' Report. A summary of the grant of share options under the Scheme (the "Options") is provided below:

Date of grant	Options period	Subscription price S\$	Options Outstanding as at 01.04.10/ date of options granted	Options lapsed/ exercised	Options Outstanding as at 31.03.11
01.08.2002	01.08.2002 to 31.07.2012	0.120	520,000	-	520,000
20.04.2007	20.04.2008 to 19.04.2011	0.120	8,075,000	(975,000)	7,100,000
05.06.2007	05.06.2008 to 04.06.2011	0.123	3,900,000	-	3,900,000
22.06.2010	22.06.2011 to 21.06.2014	0.035	110,000,000	(650,000)	109,350,000

During the financial year ended 31 March 2011, a total of 110,000,000 new share options were granted under the Scheme while 1,625,000 options were cancelled due to the resignation of employees.

Corporate Governance Report

Options granted to Directors

Director	Options Outstanding as at 31.03.10	Options granted during the year	Options lapsed/ exercised	Options Outstanding as at 31.03.11
Dr. Chan Kum Lok, Colin	1,200,000	16,750,000	-	17,950,000
Tan Khai Pang	1,200,000	16,750,000	-	17,950,000
Tan Juan Hwa	500,000	8,000,000	-	8,500,000
Lim Han Boon	800,000	8,000,000	-	8,800,000
Ang Eng Lim	200,000	500,000	-	700,000
Michael J Butler	-	-	-	-

Options granted to Senior Executives

Senior Executives	Options Outstanding as at 31.03.10	Options granted during the year	Options lapsed/ exercised	Options Outstanding as at 31.03.11
E.M.L Ekanayake	550,000	2,200,000	-	2,750,000
K. Kalaivanan	500,000	3,000,000	-	3,500,000
Lee Kim Hock, Michael	400,000	1,450,000	-	1,850,000
Chow Choi Fun	-	1,000,000	-	1,000,000

Except as disclosed above, no Directors or employees of the Group who participated in the Scheme have received five percent or more of the total number of Options available under the scheme.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board is accountable to the shareholders while the Management is accountable to the Board

The Board is mindful of its obligations to furnish timely information and to ensure full disclosure of material information in compliance with the requirements of the SGX-ST Listing Manual. Price sensitive information is publicly announced before it is communicated to any other interested person.

Audit Committee

Principle 11: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee was established in May 2000 and currently comprised the following members, majority of whom, including the chairman, are independent and non-executive:

Lim Han Boon (Chairman/Independent and non-executive)
 Ang Eng Lim (Member/Independent and non-executive)
 Michael J Butler (Member/Independent and non-executive)
 Tan Khai Pang (Member/Executive)

Corporate Governance Report

The Audit Committee members have experience in accounting or financial related management expertise, and with the current composition, in terms of size and skill sets of the members, it is able to discharge the Audit Committee functions effectively.

The independent non-executive Directors believe that the Audit Committee benefits and continue to benefit from the experience and expertise of Mr Tan Khai Pang, the Executive Director, in carrying out its functions effectively.

The role of the Audit Committee is to assist the Board in the execution of its corporate governance responsibilities within the established Board references and requirements. The Audit Committee also reviewed the financial statements of the Group for the financial year ended 31 March 2011 as well as the auditors' report thereon and the quarterly and annual results announcements before they are submitted to the Board for approval.

The Audit Committee also reviews the interested person transactions of the Group, and has the authority to carry out any matter within its terms of reference as it deems appropriate.

The financial statements, accounting policies and system of internal accounting controls are the responsibilities of the Board acting through the Audit Committee. In performing its functions set out in Section 201B(5) of the Companies Act, Cap 50, the Audit Committee reviewed the scope of work by external auditors and the assistance given by the Group's officers to the auditors. It met periodically with the external auditors to review their audit plan and discuss the results of their respective examinations and their evaluation of the Group's system of internal accounting controls. The Audit Committee meets with the external auditors without the presence of the management at least once a year.

In accordance with the principles and best practices as set out in the Code issued by the SGX-ST, the Audit Committee is satisfied that it:

- has full access and cooperation from management as well as discretion to invite any Director, executive or otherwise, to attend its meeting;
- has been given reasonable resources to enable it to complete its functions properly; and
- has reviewed findings and evaluation of the system of internal controls with the external auditors.

The Audit Committee, having reviewed the amount of non-audit services rendered to the Group by the external auditors, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, has recommended their re-nomination to the Board.

NB: The Company has in place a whistle-blowing framework for staff to raise concerns about improprieties.

Internal Control

Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

The Board is responsible for ensuring that management maintains a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The Board believes that in the absence of any evidence to the contrary, the system of internal controls that has been maintained by the Group's management throughout the financial year up to the date of this report is adequate to meet the needs of the Group in the current business environment.

Corporate Governance Report

The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can only provide reasonable and not absolute assurance against material mis-statement or loss. During the year, the Audit Committee, on behalf of the Board, has reviewed the effectiveness of the Group's internal controls, including financial, operational and compliance controls and risk management. The processes used by the Audit Committee to review the effectiveness of the system of internal controls and risk management include:

- discussion with management on risks identified by management;
- the audit process;
- the review of external audit plan; and
- the review of significant issues arising from external audit.

Internal Audit

Principle 13: The Company should establish an internal audit function that is independent of the activities it audits.

From cost effectiveness perspective as well as the Board believes that the existing system of internal controls is adequate, the Group currently has no separate internal audit function. The Company's accounts department reviews the Group's internal controls, risk management and compliance systems and reports findings and makes recommendations to the management and Audit Committee.

To ensure adequacy of the internal audit function, the Audit Committee meets regularly to review this function. The Audit Committee is satisfied with the adequacy of the current audit function and will continue to assess its effectiveness regularly.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Companies should engage in regular, effective and fair communication with shareholders

Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board places great emphasis on investor relations with the Company to maintain a high standard of transparency so as to promote better investor communications. The Board is mindful of the obligations to provide timely disclosure of material information in accordance with the Corporate Disclosure Policy of the SGX-ST. Financial results are released through SGXNET. As and when needed, a copy of the annual report, circulars and notice of general meetings will be sent to every Shareholder on a timely basis.

At the general meetings, Shareholders are given the opportunities to voice their views, raise their concerns with the Directors or question the management on matters relating to the Group and its operations. To facilitate participation by the Shareholders, the Articles of Association of the Company allow the Shareholders to attend and vote at general meetings of the Company by proxies. The Company ensures separate resolutions are proposed at general meetings on each distinct issue.

The external auditors, the chairpersons of all the Board Committees are present to assist the Directors in addressing any relevant queries raised by the Shareholders.

Corporate Governance Report

INTERESTED PERSON TRANSACTION

Our Group has adopted an internal policy in respect of the any transactions with interested persons and requires all such transactions to be at arm's length and reviewed by the Audit Committee. Our Group has no material interested party transactions as at the end of the financial year ended 31 March 2011.

RISK MANGEMENT

The Board of Directors oversees the Group's financial risk management policies. Where there are significant risks in respect of the Group operations, appropriate risk management practices will be put in place to address these risks. Details on the risk management practices are outlined in Note 34 of the financial statements.

SECURITIES TRANSACTIONS

In line with the Code issued by the SGX-ST on dealing in securities, the Board has in place a policy on share dealings applicable to all Directors, officers and staff of the Group who have access to price-sensitive and confidential information; they are not permitted to deal in the Company's shares during the periods commencing one month before the announcement of the Group's annual or half-year results and ending on the date of the announcement of such results. Directors and Executive Officers are also expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. In addition, the Directors and Executive Officers are expected not to deal in the Company's securities on short-term considerations.

MATERIAL CONTRACTS AND LOANS

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, the Company confirms that except as disclosed in the Report of Directors and Financial Statements, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the Chief Executive Officer or any Director, either still subsisting at the end by the financial year or if not then subsisting, which was entered into since the end of the previous financial year.

COMPLIANCE WITH THE CODE ISSUED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")

The Board confirms that for the financial year ended 31 March 2011, our Company has complied materially with the principal corporate governance recommendations set out in the Code issued by the SGX-ST.

Directors' Report

For The Financial Year Ended 31 March 2011

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Addvalue Technologies Ltd (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 March 2011, and the statement of financial position of the Company as at 31 March 2011.

Directors

The directors of the Company in office at the date of this report are as follows:

Dr Chan Kum Lok, Colin
 Tan Khai Pang
 Tan Juay Hwa
 Lim Han Boon
 Ang Eng Lim
 Michael J Butler (appointed on 1 September 2010)

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Except as disclosed under "Share options" in this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register kept by the Company for the purposes of section 164 of the Singapore Companies Act, Cap. 50, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Shareholdings registered in the name of director or nominee			Shareholdings in which a director is deemed to have an interest		
	At 1 April 2010 or date of appointment, if later	At 31 March 2011	At 21 April 2011	At 1 April 2010 or date of appointment, if later	At 31 March 2011	At 21 April 2011
The Company						
Ordinary shares						
Dr Chan Kum Lok, Colin	25,440,960	25,440,960	25,440,960	-	-	-
Tan Khai Pang	31,925,360	31,925,360	31,925,360	-	-	-
Tan Juay Hwa	3,131,720	3,131,720	3,131,720	-	-	-
Lim Han Boon	11,990,560	11,990,560	11,990,560	-	-	-
Ang Eng Lim	2,600,640	2,600,640	2,600,640	-	-	-
Michael J Butler	-	2,000,000	2,000,000	-	-	-
Options to subscribe for the Company's ordinary shares						
Dr Chan Kum Lok, Colin	1,200,000	17,950,000	17,950,000	-	-	-
Tan Khai Pang	1,200,000	17,950,000	17,950,000	-	-	-
Tan Juay Hwa	500,000	8,500,000	8,500,000	-	-	-
Lim Han Boon	800,000	8,800,000	8,800,000	-	-	-
Ang Eng Lim	200,000	700,000	700,000	-	-	-

Directors' Report

For The Financial Year Ended 31 March 2011

Directors' contractual benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

There were no material contracts entered into between the Company and its subsidiaries involving the interests of the chief executive officer, each director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Share options

The Addvalue Technologies Employees' Share Option Scheme (the "Scheme") for the employees of the Group was approved and adopted by the members of the Company at an Extraordinary General Meeting held on 24 October 2001. The Scheme is administered by the Remuneration Committee, comprising the following directors:

Ang Eng Lim (Chairman)
Lim Han Boon (Member)
Tan Khai Pang (Member)
Michael J Butler (Member appointed on 1 September 2010)

Other statutory information regarding the Scheme is set out below:

- (a) The subscription price for each share payable on the exercise of an option shall be the higher of the nominal value of the share or the price that represents up to 20% discount to the average of the last dealt prices per share for the 3 consecutive market days on which trades were done in the shares immediately preceding the date of grant of the option ("Market Price").
- (b) The options shall be accepted by the eligible participant within 30 days after the grant date.
- (c) The options granted vests and expires as follows:
 - (i) in relation to an option granted to an employee of the Company and/or its subsidiary companies, a period commencing on (and including) the first anniversary or where the subscription price for the shares comprised in an option is set at a discount to the Market Price on (and including) the second anniversary and expiring on (and including) the day immediately preceding the tenth anniversary of the date of grant or other shorter period as may be determined by the Remuneration Committee; and
 - (ii) in relation to an option granted to a non-executive director of the Company and/or its subsidiary companies or an employee or director of an associate company, a period commencing on (and including) the first anniversary or where the subscription price for the shares comprised in an option is set at a discount to the Market Price on (and including) the second anniversary and expiring on (and including) the day immediately preceding the fifth anniversary of the date of grant or other shorter period as may be determined by the Remuneration Committee.

Directors' Report

For The Financial Year Ended 31 March 2011

Share options (Continued)

The directors of the Company who were granted options under the Scheme during the financial year are as follows:

	Number of shares under option			
	Aggregate granted in financial year ended 31 March 2011	Aggregate granted since commencement of the Scheme to 31 March 2011	Aggregate cancelled/ transferred since commencement of the Scheme to 31 March 2011	Aggregate outstanding as at 31 March 2011 and 21 April 2011
Directors of the Company				
Dr Chan Kum Lok, Colin	16,750,000	17,950,000	-	17,950,000
Tan Khai Pang	16,750,000	18,900,000	(950,000)	17,950,000
Tan Juay Hwa	8,000,000	9,450,000	(950,000)	8,500,000
Lim Han Boon	8,000,000	8,800,000	-	8,800,000
Ang Eng Lim	500,000	700,000	-	700,000

Unissued ordinary shares in respect of unexercised options granted under the Scheme as at 31 March 2011 comprise:

For ordinary shares in the Company	Exercise price per option	Exercise period
520,000	\$0.120	1 August 2001 to 31 July 2012
7,100,000	\$0.120	20 April 2008 to 19 April 2011
3,900,000	\$0.123	5 June 2008 to 4 June 2011
109,350,000	\$0.035	22 June 2011 to 21 June 2014
120,870,000		

During the financial year, there were:

- (a) no options granted to controlling shareholders of the Company and their associates (as defined in the Singapore Exchange Securities Trading Listing Manual);
- (b) no participants who had received 5% or more of the total number of the options available under the Scheme except as disclosed above; and
- (c) no options granted by the Company or its subsidiaries which entitle the holders of the option by virtue of such holding to any rights to participate in any share issue of any other company.

Directors' Report

For The Financial Year Ended 31 March 2011

Audit Committee

The members of the Audit Committee at the date of this report are as follows:

Lim Han Boon (Chairman)
Ang Eng Lim (Member)
Tan Khai Pang (Member)
Michael J Butler (Member appointed on 1 September 2010)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance.

In performing those functions, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditors;
- the audit plan of the Company's independent auditors and its report on the weaknesses of internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditors;
- the periodic results announcements prior to their submission to the board of directors of the Company (the "Board") for approval;
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2011 prior to their submission to the Board, as well as the independent auditors' report on the statement of financial position of the Company and the consolidated financial statements of the Group; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or executive officer to attend its meetings.

The Audit Committee convened 3 meetings during the year with full attendance from all members and has also met with the independent auditors, without the presence of the Company's management, at least once a year.

The Audit Committee has recommended to the Board of Directors that the independent auditors, Horwath First Trust LLP, who are now practicing under the name of Crowe Horwath First Trust LLP with effect from 18 November 2010, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company. The Audit Committee has conducted an annual review of non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors before confirming their re-nomination.

Further details regarding the Audit Committee are disclosed in the Corporate Governance Report.

Directors' Report

For The Financial Year Ended 31 March 2011

Independent auditors

The independent auditors, Crowe Horwath First Trust LLP, have expressed their willingness to accept re-appointment as auditors of the Company.

On behalf of the Board of Directors

DR CHAN KUM LOK, COLIN
Director

TAN KHAI PANG
Director

Singapore
29 June 2011

Statement by Directors

In the opinion of the directors, the statement of financial position of the Company and the consolidated financial statements of the Group together with notes thereto, as set out on pages 48 to 108 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2011 and of the results, changes in equity and cash flows of the Group for the financial year then ended, and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

DR CHAN KUM LOK, COLIN
Director

TAN KHAI PANG
Director

Singapore
29 June 2011

Independent Auditors' Report

To The Members Of Addvalue Technologies Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of Addvalue Technologies Ltd (the "Company") and its subsidiary companies (the "Group") set out on pages 48 to 108, which comprise the statement of financial position of the Company and of the Group as at 31 March 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Independent Auditors' Report

To The Members Of Addvalue Technologies Ltd

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Crowe Horwath First Trust LLP

Public Accountants and
Certified Public Accountants

Singapore
29 June 2011

Statements of Financial Position

As At 31 March 2011

(Amounts in Singapore Dollar)

	Note	Group		Company	
		2011	2010	2011	2010
		\$	\$	\$	\$
Equity attributable to the Company's equity holders					
Share capital	3	66,824,276	62,852,117	65,824,276	62,852,117
Capital reserve	4	139,370	65,120	139,370	65,120
Fair value adjustment reserve		(125,974)	(74,375)	(125,974)	(74,375)
Accumulated losses		(49,903,841)	(57,479,377)	(51,293,042)	(58,385,351)
		16,933,831	5,363,485	14,544,630	4,457,511
Minority interests		-	81	-	-
TOTAL EQUITY		16,933,831	5,363,566	14,544,630	4,457,511
Non-current assets					
Plant and equipment	5	859,851	1,056,942	-	-
Subsidiaries	6	-	-	10,192,982	2,724,638
Associates	7	-	-	-	-
Other equity investments	8	-	-	-	-
Intangible assets	9	13,292,288	11,091,461	-	-
Staff loan receivable	10	84,000	-	-	-
Deferred tax assets	11	2,453,392	-	-	-
		16,689,531	12,148,403	10,192,982	2,724,638
Current assets					
Inventories	12	2,054,003	1,946,158	-	-
Amount due from customers for contract work	13	843,146	-	-	-
Trade receivables	14	4,146,315	2,156,902	-	-
Other receivables, deposits and prepayments	10	1,103,931	1,682,366	39	39
Available-for-sale financial assets	15	4,308	55,907	4,308	55,907
Due from subsidiaries (non-trade)	16	-	-	5,367,998	2,623,417
Due from an associate (non-trade)	17	-	-	-	-
Cash and bank balances		768,407	245,764	16,977	1,108
		8,920,110	6,087,097	5,389,322	2,680,471
TOTAL ASSETS		25,609,641	18,235,500	15,582,304	5,405,109

The accompanying notes are an integral part of the financial statements.

Statements of Financial Position

As At 31 March 2011
(Amounts In Singapore Dollar)

	Note	Group		Company	
		2011	2010	2011	2010
		\$	\$	\$	\$
Current liabilities					
Trade payables		1,688,287	1,879,975	-	-
Other payables and accruals	18	2,142,795	3,403,637	882,452	781,182
Borrowings	19	1,858,964	1,107,253	-	-
Advances received from customers		45,594	2,481,069	-	-
Due to subsidiaries (non-trade)	16	-	-	155,222	166,416
		5,735,640	8,871,934	1,037,674	947,598
Non-current liabilities					
Borrowings	19	2,940,170	4,000,000	-	-
TOTAL LIABILITIES		8,675,810	12,871,934	1,037,674	947,598
NET ASSETS		16,933,831	5,363,566	14,544,630	4,457,511

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

	Note	2011 \$	2010 \$
Revenue	22	20,396,276	12,044,955
Cost of sales		(10,399,049)	(8,330,156)
Gross profit		9,997,227	3,714,799
Other operating income	23	183,317	304,974
Selling and distribution expenses		(630,897)	(372,217)
Administrative expenses		(1,611,872)	(1,210,634)
Other operating expenses	24	(2,624,544)	(4,920,032)
Finance expenses	25	(573,692)	(736,728)
Finance Income	26	289,097	-
Profit / (loss) before income tax	27	5,028,636	(3,219,838)
Income tax credit	28	2,546,900	5,000
Profit / (loss) for the year		7,575,536	(3,214,838)
Other comprehensive expense:			
Fair value loss on available-for-sale financial assets		(51,599)	(74,375)
Total comprehensive income / (expense) for the year		7,523,937	(3,289,213)
Attributable to:			
Equity holders of the Company		7,523,937	(3,289,213)
Minority interests		(81)	-
		7,523,856	(3,289,213)
Earnings / (Loss) per share attributable to equity holders of the Company (cents)	29		
Basic		0.78	(0.38)
Diluted		0.69	(0.38)

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

	Attributable to equity holders of the Company					Total equity \$
	Share capital \$	Capital reserve \$	Fair value adjustment reserve (Note 15) \$	Accumulated losses \$	Minority interests \$	
Balance as at 1.4.2009	59,166,001	65,120	-	(54,264,539)	81	4,966,663
Issuance of new shares	4,196,835	-	-	-	-	4,196,835
Share issue expenses	(510,719)	-	-	-	-	(510,719)
Total comprehensive expense for the year	-	-	(74,375)	(3,214,838)	-	(3,289,213)
Balance as at 31.3.2010	<u>62,852,117</u>	<u>65,120</u>	<u>(74,375)</u>	<u>(57,479,377)</u>	<u>81</u>	<u>5,363,566</u>
Balance as at 1.4.2010	62,852,117	65,120	(74,375)	(57,479,377)	81	5,363,566
Issuance of new shares	3,290,000	-	-	-	-	3,290,000
Issuance of redeemable preference shares	1,000,000	-	-	-	-	1,000,000
Share issue expenses	(317,841)	-	-	-	-	(317,841)
Share options expenses	-	74,250	-	-	-	74,250
Total comprehensive income for the year	-	-	(51,599)	7,575,536	(81)	7,523,856
Balance as at 31.3.2011	<u>66,824,276</u>	<u>139,370</u>	<u>(125,974)</u>	<u>(49,903,841)</u>	<u>-</u>	<u>16,933,831</u>

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Cash Flows

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Profit / (loss) before income tax		5,028,636	(3,219,838)
Adjustments for:			
Allowance for doubtful trade receivables		15,080	22,873
Amortisation of intangible assets	9	1,290,941	1,038,988
Depreciation of plant and equipment	5	432,735	558,901
Interest expense	25	573,692	736,728
Amount due from customers for contract work written off		-	1,900,260
Gain on disposal of plant and equipment		-	(1,800)
Loss on disposal of a subsidiary		84	-
Share options expenses		74,250	-
Operating profit before working capital changes		7,415,418	1,036,112
Inventories		(107,845)	(670,916)
Amount due from customers for contract work		(843,146)	3,376,194
Trade and other receivables		(1,332,555)	(3,509,625)
Available-for-sale financial assets		-	(130,282)
Development expenditure	9	(3,482,728)	(2,988,487)
Trade and other payables		(3,888,005)	472,212
Net cash used in operating activities		(2,238,861)	(2,414,792)
Cash flows from investing activities			
Purchase of plant and equipment	5	(235,644)	(848,163)
Purchase of computer software	9	(9,040)	-
Proceeds from disposal of plant and equipment		-	1,800
Advances to staff	10	(84,000)	-
Net cash used in investing activities		(328,684)	(846,363)

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Cash Flows

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

	Note	2011 \$	2010 \$
Cash flows from financing activities			
Net proceeds from issue of shares		2,972,158	3,686,116
Proceeds from issue of redeemable preference shares by subsidiary		1,000,000	-
(Repayment of) / Net proceeds from loans		(308,119)	1,117,580
Net cash outflow from disposal of a subsidiary		(159)	-
Interest paid	25	(573,692)	(736,728)
Net cash generated from financing activities		3,090,188	4,066,968
Net increase in cash and bank balances		522,643	805,813
Cash and bank balances at beginning of year		245,764	(560,049)
Cash and bank balances at end of year		768,407	245,764

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Addvalue Technologies Ltd (the “Company”) is a limited liability company domiciled and incorporated in Singapore and listed on the Main Board of the Singapore Exchange Securities Trading Limited. The address of the Company’s registered office and principal place of business is 28 Tai Seng Street, #06-02, Singapore 534106.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 March 2011 were authorised for issue in accordance with a resolution of the Board of Directors on 29 June 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and the Singapore Financial Reporting Standards (“FRS”).

The preparation of the financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgment or complexity are disclosed in this Note.

Adoption of new and revised standards

On 1 April 2010, the Group adopted the new or amended FRS and Interpretations of FRS (“INT FRS”) that are mandatory for application from that date. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group’s and Company’s accounting policies and had no material effect to the amounts reported for the current or prior financial years, except as disclosed below:

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of new and revised standards (Continued)

(a) *FRS 103 (revised) Business Combinations (effective for annual periods beginning on or after 1 July 2009)*

The revised FRS 103 introduces a number of changes to the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Changes in significant accounting policies resulting from the adoption of the revised FRS 103 include:

- Transaction costs would no longer be capitalised as part of the cost of acquisition but will be expensed immediately;
- Consideration contingent on future events are recognised at fair value on the acquisition date and any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognised in profit or loss;
- The Group elects for each acquisition of a business, to measure non-controlling interest at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, and this impacts the amount of goodwill; and
- When a business is acquired in stages, the previously held equity interests in the acquiree is remeasured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss, and this impacts the amount of goodwill recognised.

According to its transitional provisions, the revised FRS 103 has been applied prospectively, and does not impact on the Group's financial statements in respect of assets and liabilities that arose from business combinations whose acquisition dates are before 1 April 2010. The changes will affect future business combinations.

(b) *FRS 27 (revised) Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009)*

Changes in significant accounting policies resulting from the adoption of the revised FRS 27 include:

- A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss recognised in profit or loss;
- Losses incurred by a subsidiary are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary's equity; and
- When control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognised in profit or loss.

According to its transitional provisions, the revised FRS 27 has been applied prospectively, and does not impact the Group's financial statements in respect of disposal of subsidiaries before 1 April 2010.

(c) *Amendment to FRS 7 Cash Flow Statements (effective for annual periods beginning on or after 1 January 2010)*

Under the amendment, only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Previously, such expenditure could be classified as investing activities in the statement of cash flows.

This change has been applied retrospectively. It had no material effect on the amounts presented in the statement of cash flows for the current or prior year.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
Revised FRS 24 Related Party Disclosures	1 January 2011
Amendments to INT FRS 114 Prepayments of a Minimum Funding Requirement	1 January 2011
INT FRS 115 Agreements for the Construction of Real Estate	1 January 2011

Except for the revised FRS 24, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Group is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented in 2012.

Group accounting

(a) *Subsidiaries*

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

(a) Subsidiaries (Continued)

(i) Consolidation (Continued)

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the statements of financial position, consolidated statement of comprehensive income, and consolidated statement of changes in equity. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

(a) Subsidiaries (Continued)

(iii) Disposals of subsidiaries or businesses

The assets and liabilities of the subsidiary, including any goodwill, are derecognised when a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

(b) Transactions with non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(c) Associated companies

Associated companies are entities over which the Group exercises significant influence, but not control, over the financial and operating policy decision, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

(c) Associated companies (Continued)

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Gains and losses arising from partial disposals or dilutions in investments in associated companies are recognised in profit or loss.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in profit or loss.

Currency translation

Functional currency and presentation currency

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar, which is the functional currency of the Company.

Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the financial year end date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the financial year end date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Plant and equipment

All items of plant and equipment are initially recorded at cost. The cost of the asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognised in the consolidated statement of comprehensive income as incurred.

After initial recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

Plant and equipment are depreciated using the straight-line method to write-off the cost of the plant and equipment over their estimated useful lives. The estimated useful lives have been taken as follows:

	<u>Useful lives (Years)</u>
Laboratory equipment	5
Furniture, fittings and office equipment	10
Computers and software	5
Toolings	3
Renovations	4

The estimated useful life and depreciation method are reviewed and adjusted as appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of plant and equipment.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the consolidated statement of comprehensive income. Fully depreciated assets are retained in the financial statements until they are no longer in use.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets

(i) Research costs and Development expenditure

Research costs are charged as an expense in the statement of comprehensive income in the year in which they are incurred. Development costs which relate to a definable product or process that is demonstrated to be technically feasible, and for which the Group has sufficient technical, financial and other resources to use or market, are recognised as assets to the extent that such costs are recoverable from related probable future economic benefits. The expenditure capitalised includes cost of materials, labour and an appropriate portion of overheads.

Such development expenditure are being amortised on a product-by-product basis over the estimated useful life from the commencement of production. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year. Upon completion, the development costs is amortised as aforesaid and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful lives have been taken as follows.

Useful lives (Years)

Consumer related products	3
Satellite related products	10

(ii) Patents

Costs relating to acquisition of patents are capitalised and amortised on a straight-line basis over the estimated useful life of 7 years.

(iii) Computer software

Computer software is stated at cost less accumulated amortisation and impairment loss. Amortisation is charged to the profit or loss on the straight-line basis over the estimated useful life of 5 years.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets, excluding goodwill

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is calculated as the higher of the asset's value in use and the asset's or cash-generating unit's fair value less costs to sell and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets. In determining value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

An impairment loss is recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit and loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

Inventories

Inventories are valued at the lower of cost and net realisable value. Raw materials comprise purchase cost accounted for on a first-in, first-out basis. Finished goods comprise cost of raw materials, direct labour and an attributable proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to be incurred for selling and distribution.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Construction contracts work-in-progress

When the outcome of a contract can be estimated reliably, revenue from design projects is recognised by reference to the recoverable costs incurred during the period, measured by the proportion of costs incurred to date relative to the estimated total costs of the contract.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable to be recoverable.

When the outcome of a contract can be estimated reliably, contract costs are recognised as expense by reference to the stage of completion of the contract activity at the financial year end date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

The aggregate of costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profit (less recognised losses) exceed progress billings, the balance is shown as amount due from customers for contract work. Where progress billings exceeds costs incurred and recognised profit (less recognised losses), the excess is shown as amount due to customers for contract work.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalent comprises cash on hand and in banks and bank overdraft and short term, highly liquid investments readily convertible to known amounts of cash and subjected to an insignificant risk of changes in value and have a short maturity of generally within three months when acquired.

Financial assets

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition. Financial assets are initially recognised at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The Group classifies its investments in financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss is not revocable. As at 3 March 2011, the Group held financial assets in the categories of loans and receivables and held-to-maturity investments.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except those maturing more than 12 months after the financial year end date which are classified as non-current assets. Loans and receivables are presented as trade and other receivables (including amount due from an associate) on the statements of financial position.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised directly in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are stated at cost less impairment loss.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets have expired or have been transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date basis where the purchase or sale of financial assets are under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Available-for-sale financial assets

Considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired include (i) a significant or prolonged decline in the fair value of the investment below its costs, (ii) significant financial difficulties of the issuer or obligor, and (iii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

(ii) Available-for-sale financial assets (Continued)

When the available-for-sale financial asset is impaired, the cumulative loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

For debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as the financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. The impairment losses recognised as an expense for debt instruments are subsequently reversed in profit or loss, if the fair value of the debt instrument increase and the increases can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of FRS 39 are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent measurement

Subsequent to initial recognition, the measurement of financial liabilities depends on the classification as follows:

Other financial liabilities

Subsequent to initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished, discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowings

Borrowings are initially recorded at fair value, net of transaction costs incurred and subsequently accounted for at amortised costs using the effective interest method. Borrowings which are due to be settled within twelve months after the financial year end date are included in current borrowings in the statements of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the reporting date are also included in current borrowings in the statements of financial position unless the Group has an unconditional rights to defer settlement for at least 12 months after the financial year date.

Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised as a liability at their fair values, plus transaction costs directly attributable to the issuance of the guarantees in the Company's statement of financial position. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liabilities will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

Provisions

A provision is recognised when there is a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed regularly at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, the provision is discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for warranty is recognised in respect of the estimated expenses to be incurred for the provision of after sales services to customers on the products sold, based on experience of the level of service required.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share capital

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

Redeemable preference shares are classified as equity in accordance to the substance of the contractual arrangements entered and allocated to the conversion option (equity component) which is presented in shareholders' equity, net of transaction costs.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognise:

(a) *Sale of goods*

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed. It is recorded net of returns, trade allowances and duties and taxes and after eliminating sales within the Group. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Design contracts*

Revenue from design contracts is recognised using the percentage of completion method when the outcome of the contract can be estimated reliably. The percentage of completion is determined by the proportion that costs incurred for work performed to date relative to estimated total contract costs or, services performed to date as a percentage of total services to be rendered, depending on the nature of the transaction. Losses, if any, are recognised immediately when their existence is foreseen. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(c) *Interest income*

Interest income is recognised on a time-proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Borrowing costs

Borrowing costs are recognised on a time-proportion basis in the consolidated statement of comprehensive income using the effective interest method.

Employees' benefits

(i) Defined contribution plan

The Singapore companies in the Group make contribution to the Central Provident Fund ("CPF") Scheme in Singapore, a defined contribution pension schemes. Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the end of each reporting period.

(iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period.

The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions on the date of grant. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on the vesting date. It recognises the impact of the revision of the original estimates, if any, in the profit or loss, and a corresponding adjustment to the share option reserve over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Jobs credit scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as an offset against staff costs.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been substantively enacted by the financial year end date in the countries where the Group operates and generates taxable income. Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries associated companies and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be compiled with. Government grants relating to assets are included in the statements of financial position as deferred income and are credited to the consolidated statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Group; or has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (b) the party is an associate; a jointly-controlled entity;
- (c) the party is a member of the key management personnel of the Group or its parent;
- (d) the party is a close member of the family of any individual referred to in (a) and (c);
- (e) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to (c) or (d); or
- (f) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

Critical accounting estimates and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates and judgements (Continued)

i. Critical accounting estimates and assumptions (Continued)

(a) Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 10 years. The carrying amount of the Group's plant and equipment as at 31 March 2011 is \$859,851 (2010: \$1,056,942). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Useful lives of intangible assets

The cost of intangible assets is amortised on a straight-line basis over their respective estimated useful lives. Management estimates the useful lives to be within 3 to 10 years. Changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Therefore, future amortisation changes could be revised. The carrying amount of the Group's intangible assets is disclosed in Note 9 to the financial statements.

(c) Impairment of development expenditure

The Group determines whether development expenditure is impaired at least on an annual basis. This requires an estimation of the probable future economic benefits that are expected to be generated by the commercial exploitation of products, applications and processes that are developed by the Group. The carrying value of the Group's development expenditure as at 31 March 2011 is \$12,964,298 (2010: \$10,661,166).

ii. Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements.

Capitalisation of development expenditure

The Group follows the guidance of FRS 38 - Intangible Assets in determining the amount and nature of development expenditure to be capitalised as development costs. This determination requires significant judgement. The Group assess, among other factors, if the product or process is technically feasible and if the Group has sufficient technical, financial and other resources to use or market the product or process. In addition, the Group also applies its judgement to assess the probability of expected future economic benefits that are attributable to the use of this capitalised development expenditure that will flow to the Group.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

3. SHARE CAPITAL

	Group and Company	
	2011	2010
	\$	\$
(a) Ordinary Shares		
Issued and fully paid:		
As at beginning of year		
903,905,813 (2010: 807,905,813) ordinary shares	62,852,117	59,166,001
Issued during the year:		
94,000,000 (2010: 96,000,000) ordinary shares	3,290,000	4,196,835
Share issue expenses	(317,841)	(510,719)
As at end of year		
997,905,813 (2010: 903,905,813) ordinary shares	65,824,276	62,852,117
(b) Redeemable preference shares issued by a subsidiary		
Issued during the year:		
1,000,000 (2010: Nil)	1,000,000	-
Total Share Capital	66,824,276	62,852,117

The holders of ordinary shares are entitled to receive dividends as and where declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

The holders of the redeemable preference shares issued by a subsidiary has no voting rights and not entitled to any dividends. The preference shares are redeemable at a premium of 3% at any time at the options of the issuer.

During the financial year ended 31 March 2011, the Company issued the following shares:

No. of shares	Description of shares	Purpose of issue
94,000,000	Ordinary shares \$0.035 each for cash	For the production of products to be launched, development of new products and the balance for general working capital.

Use of the proceeds from the Placement

The issuance of the 94,000,000 new ordinary shares for cash at an issue price of \$0.035 each on August 2010 (the "Placement"), the entire gross proceeds of which amounted to \$3.29 million, had been fully utilised for the following purposes as at the date of the report:

	\$'000
For production of products to be launched	1,000
For development of new products	1,000
For working capital	972
For share issue expenses re consultancy and professional services	318
	3,290

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

3. SHARE CAPITAL (Continued)

Share Option Scheme

The Addvalue Technologies Employees' Share Option Scheme (the "Scheme") was approved and adopted by its members at an Extraordinary General Meeting held on 24 October 2001. The Scheme is administered by the Remuneration Committee.

Other statutory information regarding the Scheme is set out below:

- (a) The subscription price for each share payable on the exercise of an option shall be the higher of the nominal value of the share or the price that represents up to 20% discount to the average of the last dealt prices per share for the 3 consecutive market days on which trades were done in the shares immediately preceding the date of grant of the option ("Market Price").
- (b) The options shall be accepted by the eligible participant within 30 days after the grant date.
- (c) The options granted vests and expires as follows:
 - (i) in relation to an option granted to an employee of the Company and/or its subsidiary companies, a period commencing on (and including) the first anniversary or where the subscription price for the shares comprised in an option is set at a discount to the Market Price on (and including) the second anniversary and expiring on (and including) the day immediately preceding the tenth anniversary of the date of grant or other shorter period as maybe determined by the Remuneration Committee; and
 - (ii) in relation to an option granted to a non-executive director of the Company and/or its subsidiary companies or an employee or director of an associate company, a period commencing on (and including) the first anniversary or where the subscription price for the shares comprised in an option is set at a discount to the Market Price on (and including) the second anniversary and expiring on (and including) the day immediately preceding the fifth anniversary of the date of grant or other shorter period as maybe determined by the Remuneration Committee.

On 22 June 2010, options to subscribe for 110,000,000 ordinary shares of the Company at an exercise price of \$0.035 per ordinary share were granted pursuant to the Scheme ("2010 Option"). The 2010 Option is exercisable on 22 June 2011 and expires on 21 June 2014.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

3. SHARE CAPITAL (Continued)

Share Option Scheme (Continued)

The details of the share options outstanding during the financial year are as follows:

Options outstanding	Group and Company			
	2011		2010	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
As at beginning of year	12,495,000	0.121	13,285,000	0.121
Cancelled / Lapsed during the year (net of transfer)	(975,000)	0.120	(790,000)	0.120
Granted during the year	110,000,000	0.035	-	-
Cancelled / Lapsed during the year	(650,000)	0.035	-	-
As at end of year	120,870,000	0.043	12,495,000	0.121
Exercisable at the end of the year	11,520,000		12,495,000	

Terms of the share options outstanding as at end of year:

Expiry date	Exercise price	Number of options	
		2011	2010
31 July 2012	\$0.120	520,000	520,000
19 April 2011	\$0.120	7,100,000	8,075,000
4 June 2011	\$0.123	3,900,000	3,900,000
21 June 2014	\$0.035	109,350,000	-
		120,870,000	12,495,000

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

3. SHARE CAPITAL (Continued)

The fair value of options granted on 22 June 2010, determined using the Black-Scholes Pricing Model, was \$0.001 (2010: nil). The significant inputs into the model were as follows:

	2011	2010
Weighted average share price	\$0.035	-
Weighted average option price	\$0.035	-
Expected volatility	1.3%	-
Expected life	3 years	-
Risk free rate	0.59%	-
Expected dividend yield	0%	-

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 2 years. The expected life used in the model has been adjusted, based on the management's best estimate, for the effect of non transferability, exercise restriction and behavioural considerations.

The Group and the Company recognized total expenses of \$74,250 (2010: nil) related to equity-settled share-based payment transactions during the year.

4. CAPITAL RESERVE

	Group and Company	
	2011	2010
	\$	\$
At the beginning of the year	65,120	65,120
Recognition of share-based payment	74,250	-
At the end of the year	139,370	65,120

The capital reserve represents the share options reserve arising from recognition of share-based payment.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

5. PLANT AND EQUIPMENT

Group

	Laboratory equipment \$	Furniture, fittings and office equipment \$	Computers and software \$	Toolings \$	Renovations \$	Total \$
Cost						
As at 1.4.2009	2,460,025	255,270	2,072,291	947,514	220,915	5,956,015
Additions	43,602	52,250	189,063	362,547	200,701	848,163
Written off / Disposal	(337,410)	-	(49,056)	-	(220,915)	(607,381)
As at 31.3.2010	2,166,217	307,520	2,212,298	1,310,061	200,701	6,196,797
As at 1.4.2010	2,166,217	307,520	2,212,298	1,310,061	200,701	6,196,797
Additions	14,635	29,689	128,148	28,172	35,000	235,644
Written off / Disposal	(1,804,455)	(94,320)	(1,783,025)	(630,288)	-	(4,312,088)
As at 31.3.2011	376,397	242,889	557,421	707,945	235,701	2,120,353
Accumulated depreciation						
As at 1.4.2009	2,264,739	204,438	1,941,922	579,333	197,903	5,188,335
Depreciation charge for the year	85,578	19,850	93,001	306,198	54,274	558,901
Written off / Disposal	(337,410)	-	(49,056)	-	(220,915)	(607,381)
As at 31.3.2010	2,012,907	224,288	1,985,867	885,531	31,262	5,139,855
As at 1.4.2010	2,012,907	224,288	1,985,867	885,531	31,262	5,139,855
Depreciation charge for the year	71,906	18,116	85,137	207,401	50,175	432,735
Written off / Disposal	(1,804,455)	(94,320)	(1,783,025)	(630,288)	-	(4,312,088)
As at 31.3.2011	280,358	148,084	287,979	462,644	81,437	1,260,502
Net carrying value						
As at 1.4.2009	195,286	50,832	130,369	368,181	23,012	767,680
As at 31.3.2010	153,310	83,232	226,431	424,530	169,439	1,056,942
As at 31.3.2011	96,039	94,805	269,442	245,301	154,264	859,851

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

6. SUBSIDIARIES

	Company	
	2011 \$	2010 \$
Unquoted equity shares at cost	46,798,772	54,211,963
Impairment losses	(36,605,790)	(51,487,325)
Net carrying value	10,192,982	2,724,638
Analysis of impairment losses:		
Balance at beginning of year	51,487,325	49,633,031
(Reversal) / Impairment during the year	(7,400,000)	1,854,294
Disposal of a subsidiary	(7,481,535)	-
Balance at end of year	36,605,790	51,487,325

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Percentage of equity interest held by the Group		Cost of investment to the Company	
			2011 %	2010 %	2011 \$	2010 \$
Addvalue Communications Pte Ltd ⁽¹⁾	Design, development and distribution of tele-communications equipment and related products	Singapore	100	100	38,067,647	37,999,137
Addvalue Innovation Pte Ltd ⁽¹⁾	Dormant	Singapore	100	100	8,731,125	8,731,125
Inerworx Technologies Pte Ltd ^{(2), (3)}	Ceased operations	Singapore	1	1	-	1
Blue World Capital Ltd ⁽⁴⁾	Dormant	British Virgin Island	-	51	-	7,481,700
Addvalue Global Limited ⁽⁵⁾	Business development, sale and marketing of satellite communications equipment	Hong Kong	100	-	- ^	-
					46,798,772	54,211,963

^ denotes amount less than \$1.00

(1) Audited by Crowe Horwath First Trust LLP, Singapore.

(2) Audited by Richard Lim & Co, Singapore and was submitted for strike off on 3 April 2011.

(3) As the Group controls 75% of its board seats, it is considered a subsidiary company.

(4) Struck off from the register of companies with effect from 1 May 2008, and accordingly, is deemed to be disposed off during the year.

(5) Company was newly incorporated on 26 August 2010.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

7. ASSOCIATES

	Group and Company	
	2011	2010
	\$	\$
Equity shares at cost	173	98,173
Impairment losses	(173)	(98,173)
Net carrying value	-	-

Details of the associates are as follows:

Name of associates	Principal activities	Country of incorporation and place of business	Percentage of equity interest held by the Group		Cost of investment to the Company	
			2011	2010	2011	2010
			%	%	\$	\$
Addvalue Communications, Inc ("AVCI") ⁽¹⁾	Ceased operations	United States of America	23.42	23.42	173	173
Held through another associate:						
Addvalue Technologies (Guangzhou) Limited ("ATG") ⁽²⁾	Ceased operations	People's Republic of China	-	49	-	98,000
					173	98,173

(1) Not required to be audited by law in the country of incorporation.

(2) The associate, held through another Associate, Boost Time International Ltd, incorporated in British Virgin Island ("BTI"). BTI were struck off from the register of companies with effect from 2 November 2009. Accordingly, ATG is deemed ceased to be an associated company.

The associate company, AVCI has ceased its operation since 2009. As a result, there are no financial statements available to the Group.

8. OTHER EQUITY INVESTMENTS

	Group		Company	
	2011	2010	2011	2010
	\$	\$	\$	\$
Unquoted equity investments, at cost	2,163,283	3,512,218	1,875,721	1,875,721
Impairment losses	(2,163,283)	(3,512,218)	(1,875,721)	(1,875,721)
Net carrying value	-	-	-	-

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

9. INTANGIBLE ASSETS

Group	Development expenditure \$	Patents \$	Computer software \$	Total \$
Cost				
As at 1.4.2009	9,176,429	55,700	707,136	9,939,265
Additions	2,988,487	-	-	2,988,487
As at 31.3.2010	12,164,916	55,700	707,136	12,927,752
As at 1.4.2010	12,164,916	55,700	707,136	12,927,752
Additions	3,482,728	-	9,040	3,491,768
As at 31.3.2011	15,647,644	55,700	716,176	16,419,520
Accumulated amortisation				
As at 1.4.2009	575,136	39,786	182,381	797,303
Amortisation charge for the year	928,614	7,957	102,417	1,038,988
As at 31.3.2010	1,503,750	47,743	284,798	1,836,291
As at 1.4.2010	1,503,750	47,743	284,798	1,836,291
Amortisation charge for the year	1,179,596	7,957	103,388	1,290,941
As at 31.3.2011	2,683,346	55,700	388,186	3,127,232
Net carrying value				
As at 1.4.2009	8,601,293	15,914	524,755	9,141,962
As at 31.3.2010	10,661,166	7,957	422,338	11,091,461
As at 31.3.2011	12,964,298	-	327,990	13,292,288

The Group invests in development activities to build its base of proprietary products, applications and processes. The net carrying value of development expenditure amounting to \$12,964,298 (2010: \$10,661,166) represents customised costs incurred in the development of customised Application Specific Integrated Circuit (ASIC) chipsets for satellite communication applications, tracking and telemetry solutions. The carrying value of development expenditure is expected to be recovered from probable future economic benefits that are expected to be generated by the commercial exploitation of products, applications and processes that are developed by the Group, including the commercial sales of the Group's various products such as Sabre™ 1, Sabre™ 1 Remote, Sabre™ Ranger, FB250, FB150 and Seagull 5000. The amortisation of development expenditure amounting to \$1,179,596 (2010: \$928,614) was charged to other operating expenses in the consolidated statement of comprehensive income.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2011	2010	2011	2010
	\$	\$	\$	\$
Deposits and prepayments	248,004	219,740	-	-
Other receivables	93,508	200,790	-	-
Deposits and advances paid to suppliers	744,381	1,419,942	-	-
Staff loans	102,038	42,684	39	39
	1,187,931	1,883,156	39	39
Less: Allowance for doubtful non-trade receivables	-	(200,790)	-	-
	1,187,931	1,682,366	39	39
Less: Non-current staff loans	(84,000)	-	-	-
Current portion	1,103,931	1,682,366	39	39
Analysis of allowance for doubtful non-trade receivables:				
Balance at beginning of year	200,790	762,764	-	561,974
Written off against allowance	(200,790)	(561,974)	-	(561,974)
Balance at end of year	-	200,790	-	-

11. DEFERRED TAX ASSETS

	Group	
	2011	2010
	\$	\$
At beginning of year	-	-
Recognised in the consolidated statement of comprehensive income (Note 28)	2,453,392	-
At end of year	2,453,392	-

Deferred tax assets comprises of deductible unused tax losses of approximately \$14,400,000 which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

12. INVENTORIES

	Group	
	2011	2010
	\$	\$
Finished goods	537,313	222,783
Raw materials	497,950	1,723,375
Semi-finished goods	1,018,740	-
Total inventories, at lower of cost and net realisable value	2,054,003	1,946,158
Movement in allowance for stock obsolescence:		
At beginning of the year	-	70,918
Inventories written off against allowance	-	(70,918)
At end of year	-	-

The cost of inventories recognised as expense and included in 'cost of sales' amounted to \$8,744,076 (2010: \$7,278,844).

Inventories with a carrying amount of \$1,818,460 (2010: \$1,839,658) have been pledged as security for a loan from a funding institution to a subsidiary (Note 20).

13. AMOUNT DUE FROM CUSTOMERS FOR CONTRACT WORK

	Group	
	2011	2010
	\$	\$
Work-in-progress		
- Costs incurred	290,994	-
- Attributable profit	701,046	-
	992,040	-
Less: Progress billings	(148,894)	-
	843,146	-

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

14. TRADE RECEIVABLES

	Group	
	2011	2010
	\$	\$
Trade receivables	4,187,220	2,182,727
Less: Allowance for doubtful trade receivables (Note 34)	(40,905)	(25,825)
	<u>4,146,315</u>	<u>2,156,902</u>

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group and Company	
	2011	2010
	\$	\$
Equity instrument (quoted), at cost		
Balance at beginning of year	55,907	-
Additions	-	148,485
Disposal	-	(18,203)
Fair value adjustment for the year	(51,599)	(74,375)
	<u>4,308</u>	<u>55,907</u>

16. DUE FROM / TO SUBSIDIARIES (NON-TRADE)

These non-trade balances including amount due to subsidiaries are unsecured, interest-free and repayable on demand.

17. DUE FROM AN ASSOCIATE (NON-TRADE)

	Group and Company	
	2011	2010
	\$	\$
Due from an associate (non-trade)	-	61,109
Less: Allowance for impairment loss	-	(61,109)
	<u>-</u>	<u>-</u>
Analysis of allowance for impairment loss:		
Balance at beginning/end of year	-	61,109

The non-trade balance is unsecured, interest-free and repayable on demand.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

18. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2011	2010	2011	2010
	\$	\$	\$	\$
Accrued operating expenses:				
- Directors' fees	458,648	375,315	458,648	375,315
- Employee benefits	591,198	1,185,721	-	-
- Others	277,712	161,752	54,880	39,380
Other payables	703,053	1,500,531	368,924	366,487
Due to Directors	112,184	180,318	-	-
	<u>2,142,795</u>	<u>3,403,637</u>	<u>882,452</u>	<u>781,182</u>

19. BORROWINGS

	Group	
	2011	2010
	\$	\$
Due within one year		
Loans and trust receipts (Note 20)	1,830,528	1,107,253
Lease obligations (Note 21)	28,436	-
	<u>1,858,964</u>	<u>1,107,253</u>
Due after one year or more		
Loans and trust receipts (Note 20)	2,888,959	4,000,000
Lease obligations (Note 21)	51,211	-
	<u>2,940,170</u>	<u>4,000,000</u>
Total borrowings		
Loans and trust receipts (Note 20)	4,719,487	5,107,253
Lease obligations (Note 21)	79,647	-
	<u>4,799,134</u>	<u>5,107,253</u>

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

20. LOANS AND TRUST RECEIPTS

	Group	
	2011	2010
	\$	\$
Trust receipts (secured)	-	207,253
Loan 1 (secured)	4,309,080	4,000,000
Loan 2 (secured)	-	900,000
Loan 3 (secured)	410,407	-
	<hr/>	<hr/>
	4,719,487	5,107,253

Trust receipts (secured)

The trust receipts from a financial institution, are repayable on demand and denominated in United States dollar, bear effective interest rates ranging from 6.4% to 8.5% and are secured by a corporate guarantee by the Company. These facilities were fully repaid during the year.

Loan 1 (secured)

Loan 1 obtained from a funding institution sponsored by International Enterprise Singapore, denominated in Singapore dollar, bears interest rate at 10% per annum (2010: 5% to 10%) and is secured by a floating charge on the inventories and escrow accounts with a bank of a subsidiary of the Company and a corporate guarantee by the Company. The loan is repayable as follows:

\$3,000,000 repayable on 6 October 2012
\$1,000,000 repayable on 6 October 2011
\$750,000 repayable over 9 monthly installments

Loan 2 (secured)

Loan 2 obtained from a financial institution, is repayable on demand and denominated in Singapore dollar, bears effective interest rate ranging from 10% to 20% and is secured by a corporate guarantee by the Company. This loan was fully repaid during the year.

Loan 3 (secured)

Loan 3 drawn from a bank and denominated in Singapore dollar, bears interest rate at 6.5% per annum and is repayable in 24 monthly installments. The loan is secured by a joint and several personal guarantees from certain directors of the Company and a corporate guarantee by the Company.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

21. LEASE OBLIGATIONS

Group	Minimum lease payments \$	Interest \$	Present value of payments \$
2011			
Within one year	33,060	(4,624)	28,436
More than one year but not later than five years	54,563	(3,352)	51,211
	<u>87,623</u>	<u>(7,976)</u>	<u>79,647</u>

Interest is payable at effective interest rate of 6.6% per annum and guaranteed by the Company.

22. REVENUE

	Group	
	2011 \$	2010 \$
Sale of finished products and components	19,183,811	11,969,429
Design services	1,212,465	75,526
	<u>20,396,276</u>	<u>12,044,955</u>

23. OTHER OPERATING INCOME

	Group	
	2011 \$	2010 \$
Amount due to third parties written off	126,475	-
Foreign exchange gain, net	-	256,173
Gain on disposal of plant and equipment	-	1,800
Government grants received	5,000	-
Others	51,842	47,001
	<u>183,317</u>	<u>304,974</u>

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

24. OTHER OPERATING EXPENSES

	Group	
	2011	2010
	\$	\$
Amortisation of intangible assets	1,290,941	1,038,988
Amount due from customers for contract work written off	-	1,900,260
Bank charges	30,200	25,138
Depreciation of plant and equipment	432,735	558,901
Foreign exchange loss, net	204,926	-
Inventory written off	27,391	-
Labour cost	11,436	405,390
Laboratory usage	8,224	150,564
Repairs and maintenance	248,565	259,691
Postage	87,289	144,809
Telecommunications	57,193	95,210
Transportation	19,026	10,859
Travelling	128,405	207,552
Utilities	48,239	38,018
Others	29,974	84,652
	<u>2,624,544</u>	<u>4,920,032</u>

25. FINANCE EXPENSES

	Group	
	2011	2010
	\$	\$
Interest on bank overdrafts	-	13,693
Interest on trust receipts	-	51,893
Interest on loans	570,514	442,451
Interest on late payment	1,735	228,691
Interest on lease obligations	1,443	-
	<u>573,692</u>	<u>736,728</u>

26. FINANCE INCOME

	Group	
	2011	2010
	\$	\$
Fair value adjustment on non current borrowings	<u>289,097</u>	<u>-</u>

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

27. PROFIT / (LOSS) BEFORE INCOME TAX

This is determined after charging / (crediting) the following:

	Group	
	2011 \$	2010 \$
Amortisation of intangible assets	1,290,941	1,038,988
Allowance for doubtful trade receivables	15,080	22,873
Amount due from customers for contract work written off	-	1,900,260
Depreciation of plant and equipment	432,735	558,901
Directors' remuneration	708,185	491,668
Directors' fees	143,333	95,000
Employee benefits expense (Note 31)	1,212,314	1,157,171
Foreign exchange loss / (gain), net	204,926	(256,173)
Gain from disposal of plant and equipment	-	1,800
Inventories recognised as an expense in cost of sales (Note 12)	8,744,076	7,278,844
Operating lease expenses	197,574	185,191

28. INCOME TAX CREDIT

	Group	
	2011 \$	2010 \$
Current tax:		
- Overprovision in prior years	93,508	5,000
Deferred tax recognised in current year	2,453,392	-
Income tax credit	2,546,900	5,000

The reconciliation of the tax credit and the product of accounting profit/(loss) multiplied by the applicable rate is as follows:

	Group	
	2011 \$	2010 \$
Profit / (loss) before income tax	5,028,636	(3,219,838)
Tax at the applicable tax rate of 17% (2010: 17%)	854,868	(547,372)
Expenses not deductible for tax purposes	1,298,147	126,296
Income not subject to tax	(1,256,757)	(401)
Deferred tax assets recognised in current year	2,453,392	-
Utilisation of previously unrecognised tax losses	(1,035,473)	(40,149)
Deferred tax assets not recognised	139,215	461,626
Over provision of taxation in prior years	93,508	5,000
Income tax credit	2,546,900	5,000

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

29. EARNINGS / (LOSS) PER SHARE

The calculations of loss per share are based on the loss and numbers of shares shown below.

	Basic		Diluted	
	2011	2010	2011	2010
	\$	\$	\$	\$
Profit / (Loss) attributable to shareholders	7,523,937	(3,289,213)	7,523,937	(3,289,213)

Weighted average number of shares

	Number of shares	
	2011	2010
	\$	\$
For basic earnings per share	965,456,498	873,659,238
Effect of dilutive potential ordinary shares		
- Share options pursuant to the Scheme	120,870,000	-
For diluted earnings per share	1,086,326,498	873,659,238

For the number of share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The differences are added to the denominator as an issuance of ordinary shares for no consideration. No adjustment is made to earnings (numerator).

The outstanding share options were excluded from the calculation of diluted earnings per share for the financial year ended 31 March 2010 because they are anti-dilutive.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

30. COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The remuneration of directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

Compensation of key management personnel is as follows:

	Group	
	2011 \$	2010 \$
Salaries, bonus and others	1,179,720	856,900
Contributions to defined contribution plans	69,756	52,710
	1,249,476	909,610
Directors' fees	143,333	95,000
Total compensation paid to key management personnel	1,392,809	1,004,610
Comprise amount due to:		
Directors of the Company		
- Fees	143,333	95,000
- Remuneration and contribution to defined contribution plans	708,185	491,668
	851,518	586,668
Other key management personnel	541,291	417,942
	1,392,809	1,004,610

31. EMPLOYEE BENEFITS

	Group	
	2011 \$	2010 \$
Employee benefits expense (including directors):		
- Salaries, bonuses and others	3,834,820	2,947,397
- Contribution to defined contribution plans	344,119	283,641
- Job credit scheme	(11,673)	(108,851)
	4,167,266	3,122,187
Directors' fees	143,333	95,000
	4,310,599	3,217,187
Charged to consolidated statement of comprehensive income	1,212,314	1,157,171
Capitalised in development expenditure	3,098,285	2,060,016
	4,310,599	3,217,187

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

32. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Corporate Guarantee

As at 31 March 2011, unsecured corporate guarantees given to financial institutions, in connection with the facilities granted to subsidiaries amounted to approximately \$4.8 million (2010: \$5.1 million). The facilities are for working capital purposes, including outstanding trust receipts as disclosed in Note 20 to the financial statements. The fair values of the corporate guarantees are immaterial based on management estimates.

(b) Non-cancellable operating lease commitments

As at the end of the reporting period, the Group has various non-cancellable operating lease agreements for equipment, offices and other facilities. The leases have varying items, escalation clauses and renewable rights. The lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

The future aggregate minimum lease payable under non-cancellable operating leases contracted for at the financial year end date but not recognised as liabilities are as follows:

	Group	
	2011 \$	2010 \$
Future minimum lease payments		
- Within 1 financial year	274,574	181,926
- Later than 1 financial year but not later than 5 financial years	150,646	269,640
	<u>425,220</u>	<u>451,566</u>

33. SEGMENT INFORMATION

For management purposes, the Group organised their reportable segment based on their geographical areas which represents their strategic business units because the geographical segments as the Group's risks and rates of return are affected predominantly by geographical areas.

The Group has 3 reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business units, the directors review internal management reports on a regular basis. The following summary describes the operations in each of the Group's reportable segments:

- Segment 1: Europe reflects sales made to customers based in Spain, Germany, United Kingdom, Norway and Netherlands;
- Segment 2: North America reflects sales made to customers based in United States of America and Canada;
- Segment 3: Asia reflects sales made to customers based in Singapore, Japan, China, Taiwan, Philippines and Australia.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

33. SEGMENT INFORMATION (Continued)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. There is no transfer pricing between operating segments as there is not inter-segment transaction.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

As at 31 March 2011	Europe \$	North America \$	Asia \$	Consolidated \$
Revenue				
Total revenue from external customers	5,338,549	7,406,139	7,651,588	20,396,276
Segment result	2,879,676	3,753,401	149,725	6,782,802
Unallocated expenses				(1,652,888)
Other income				183,317
Finance expenses				(573,692)
Finance income				289,097
Profit before income tax				5,028,636
Income tax credit				2,546,900
Net profit for the year				7,575,536
Segment assets				
By location of customers				
- Segment assets	1,970,309	1,034,714	20,151,226	23,156,249
- Unallocated assets				2,453,392
Total assets				25,609,641
By location of assets				
- Segment assets	988,637	1,000,286	21,167,326	23,156,249
- Unallocated assets				2,453,392
Total assets				25,609,641
Segment liabilities	757,810	76,623	7,841,377	8,675,810

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

33. SEGMENT INFORMATION (Continued)

As at 31 March 2011	Europe \$	North America \$	Asia \$	Consolidated \$
Other Information				
Capital expenditure				
- Plant and equipment	-	-	235,644	235,644
Depreciation and amortisation	-	-	1,620,288	1,620,288
Amortisation of computer software	-	-	103,388	103,388
As at 31 March 2010	Europe \$	North America \$	Asia \$	Consolidated \$
Revenue				
Total revenue from external customers	4,244,576	1,795,558	6,004,821	12,044,955
Segment result	(983,605)	380,340	(1,122,196)	(1,725,461)
Unallocated expenses				(1,062,623)
Other income				304,974
Finance expenses				(736,728)
Loss before income tax				(3,219,838)
Income tax credit				5,000
Net loss for the year				(3,214,838)
Segment assets				
By location of customers				
- Segment assets	1,189,124	62,551	16,983,825	18,235,500
By location of assets				
- Segment assets	1,189,124	118,458	16,927,918	18,235,500
Segment liabilities	50,356	776,947	12,044,631	12,871,934
Other Information				
Capital expenditure				
- Plant and equipment	-	-	848,163	848,163
Depreciation and amortisation	-	-	1,495,472	1,495,472
Amortisation of computer software	-	-	102,417	102,417

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

33. SEGMENT INFORMATION (Continued)

Business information

As at 31 March 2011

	License and Consultancy \$	Design Services \$	Sales of finished products and components \$	Consolidated \$
Total revenue from external customers	-	1,212,465	19,183,811	20,396,276
Segment assets	94,636	15,281,418	7,780,195	23,156,249
Unallocated assets				2,453,392
Total assets				25,609,641
Unallocated capital expenditure				209,684
Total capital expenditure				209,684

As at 31 March 2010

	License and Consultancy \$	Design Services \$	Sales of finished products and components \$	Consolidated \$
Total revenue from external customers	-	75,526	11,969,429	12,044,955
Segment assets	56,105	11,949,178	6,230,217	18,235,500
Unallocated assets				-
Total assets				18,235,500
Unallocated capital expenditure				848,163
Total capital expenditure				848,163

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

34. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

Categories of financial instruments

The following table sets out the financial instruments as at the financial year end date:

	Group		Company	
	2011	2010	2011	2010
	\$	\$	\$	\$
Financial assets	5,875,704	2,576,344	5,389,322	2,680,471
Financial liabilities	8,486,884	10,295,865	894,343	852,598

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk (which comprises of foreign exchange risk and interest rate risk), liquidity risk and credit risk. The Board of directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is the Group's policy not to trade-in derivative contracts.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group also sells its products/services in several countries and for such overseas sales, it transacts mainly in United States dollar ("USD") and Euro. As a result, movements in USD and Euro exchange rates are the main foreign exchange risk which the Group is exposed to. Transaction risk is calculated in each foreign currency and includes foreign currency denominated assets and liabilities and firm and probable purchases and sales commitments. The Group has not entered into any derivative instruments for hedging or trading purposes.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

34. FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

Group As at 31 March 2011	Singapore Dollar \$	United States Dollar \$	Euro Dollar \$	Others \$	Total \$
Financial assets					
Staff loan receivable	84,000	-	-	-	84,000
Trade receivables	38,161	3,424,482	683,672	-	4,146,315
Other receivables	178,409	694,265	-	-	872,674
Available-for-sale financial assets	-	4,308	-	-	4,308
Cash and bank balances	744,699	23,708	-	-	768,407
	<u>1,045,269</u>	<u>4,146,763</u>	<u>683,672</u>	<u>-</u>	<u>5,875,704</u>
Financial liabilities					
Trade payables	89,856	1,236,531	356,940	4,960	1,688,287
Other payables and accruals	1,788,734	209,596	1,133	-	1,999,463
Borrowings	4,799,134	-	-	-	4,799,134
	<u>6,677,724</u>	<u>1,446,127</u>	<u>358,073</u>	<u>4,960</u>	<u>8,486,884</u>
Net financial (liabilities) / assets	(5,632,455)	2,700,636	325,599	(4,960)	(2,611,180)
Less: Net financial liabilities denominated in the respective entities' functional currencies	<u>5,632,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,632,455</u>
Foreign currency exposure	<u>-</u>	<u>2,700,636</u>	<u>325,599</u>	<u>(4,960)</u>	<u>3,021,275</u>

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

34. FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

Group As at 31 March 2010	Singapore Dollar \$	United States Dollar \$	Euro Dollar \$	Others \$	Total \$
Financial assets					
Trade receivables	186,569	1,179,918	790,415	-	2,156,902
Other receivables	117,771	-	-	-	117,771
Available-for-sale financial assets	-	55,907	-	-	55,907
Cash and bank balances	104,969	140,795	-	-	245,764
	<u>409,309</u>	<u>1,376,620</u>	<u>790,415</u>	<u>-</u>	<u>2,576,344</u>
Financial liabilities					
Trade payables	114,271	1,688,874	69,779	7,051	1,879,975
Other payables and accruals	2,619,778	656,798	-	32,061	3,308,637
Borrowings	4,900,000	207,253	-	-	5,107,253
	<u>7,634,049</u>	<u>2,552,925</u>	<u>69,779</u>	<u>39,112</u>	<u>10,295,865</u>
Net financial (liabilities) / assets	(7,224,740)	(1,176,305)	720,636	(39,112)	(7,719,521)
Less: Net financial liabilities denominated in the respective entities' functional currencies	<u>7,224,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,224,740</u>
Foreign currency exposure	<u>-</u>	<u>(1,176,305)</u>	<u>720,636</u>	<u>(39,112)</u>	<u>(494,781)</u>

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

34. FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

Company As at 31 March 2011	Singapore Dollar \$	United States Dollar \$	Total \$
Financial assets			
Other receivables	39	-	39
Due from subsidiaries (non-trade)	5,367,998	-	5,367,998
Available-for-sale financial assets	-	4,308	4,308
Cash and bank balances	16,977	-	16,977
	<u>5,385,014</u>	<u>4,308</u>	<u>5,389,322</u>
Financial liabilities			
Other payables and accruals	699,995	39,126	739,121
Due to subsidiaries (non-trade)	155,222	-	155,222
	<u>855,217</u>	<u>39,126</u>	<u>894,343</u>
Net financial assets / (liabilities)	4,529,797	(34,818)	4,494,979
Less: Net financial assets denominated in the respective entities' functional currencies	<u>(4,529,797)</u>	<u>-</u>	<u>(4,529,797)</u>
Foreign currency exposure	<u>-</u>	<u>(34,818)</u>	<u>(34,818)</u>

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

34. FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

Company As at 31 March 2010	Singapore Dollar \$	United States Dollar \$	Others \$	Total \$
Financial assets				
Other receivables	39	-	-	39
Due from subsidiaries (non-trade)	2,623,417	-	-	2,623,417
Available-for-sale financial assets	-	55,907	-	55,907
Cash and bank balances	1,108	-	-	1,108
	<u>2,624,564</u>	<u>55,907</u>	<u>-</u>	<u>2,680,471</u>
Financial liabilities				
Other payables and accruals	654,121	-	32,061	686,182
Due to subsidiaries (non-trade)	166,416	-	-	166,416
	<u>820,537</u>	<u>-</u>	<u>32,061</u>	<u>852,598</u>
Net financial assets / (liabilities)	1,804,027	55,907	(32,061)	1,827,873
Less: Net financial assets denominated in the respective entities' functional currencies	(1,804,027)	-	-	(1,804,027)
Foreign currency exposure	<u>-</u>	<u>55,907</u>	<u>(32,061)</u>	<u>23,846</u>

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

34. FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

Foreign exchange risk sensitivity

The following table details the sensitivity to a 10% increase and decrease in the Singapore dollar against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the Singapore dollar strengthens by 10% against the relevant foreign currencies, profit for the year will increase / (decrease) by:

As at 31 March 2011	United States Dollar \$	Euro Dollar \$	Others \$	Total \$
Group				
Profit for the year	270,064	32,560	(497)	302,127
Company				
Profit for the year	(3,482)	-	-	(3,482)
As at 31 March 2010	United States Dollar \$	Euro Dollar \$	Others \$	Total \$
Group				
Loss for the year	(117,631)	72,064	(3,911)	(49,478)
Company				
Loss for the year	5,591	-	(3,206)	2,385

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

34. FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

If the Singapore dollar weakens by 10% against the relevant foreign currencies, loss for the year will increase / (decrease) by:

As at 31 March 2011	United States Dollar \$	Euro Dollar \$	Others \$	Total \$
Group				
Loss for the year	(270,064)	(32,560)	497	(302,127)
Company				
Loss for the year	3,482	-	-	3,482
As at 31 March 2010	United States Dollar \$	Euro Dollar \$	Others \$	Total \$
Group				
Loss for the year	117,631	(72,064)	3,911	49,478
Company				
Loss for the year	(5,591)	-	3,206	(2,385)

(ii) Interest rate risk

The Group obtains additional financing through borrowings from financial institutions. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. The Group constantly monitors its interest rate risk and does not utilise forward contracts or other arrangements for trading or speculative purposes. As at 31 March 2011, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

34. FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

The following table sets out the carrying amount, by maturity, of the Group's financial instruments, that are exposed to interest rate risk:

	Group	
	2011	2010
	\$	\$
<i>Within 1 year – fixed rates</i>		
Borrowings from financial institutions		
- Loan 1	1,583,333	-
- Loan 3	247,195	-
Lease obligations	28,436	-
Other payables	-	34,981
<i>More than 1 year – fixed rates</i>		
Borrowings from financial institutions		
- Loan 1	2,725,746	4,000,000
- Loan 3	163,213	-
Lease obligations	51,211	-
<i>Within 1 year – floating rate</i>		
Borrowings from financial institutions		
- Trust receipts	-	207,253
- Loan 2	-	900,000

Interest in financial instruments subject to floating interest rates is repriced regularly. Interests on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group that are not included in the above table are not subject to interest rate risks.

Interest risk sensitivity

The Group's consolidated statement of comprehensive income and equity are not affected by changes in interest rates as the interest-bearing financial instruments carry fixed interest until maturity. Hence, the Group's exposure to interest rate risk is minimal.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

34. FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(b) Liquidity risk

The Group manages its liquidity risk by ensuring the availability of funding through committed credit facilities from a bank and financial institutions. In addition, the Group has also sought for investment funds via issuing of shares and convertible loan to finance its cash flow and operations.

The Group's trade payables are non-interest bearing and normally settled on 30 days terms while other payables have an average term of 30 days. The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and the earliest date on which the Group and the Company can be required to pay.

Group	On demand or within 1 year \$	On demand or more than 1 year \$
As at 31 March 2011		
Trade payables	1,688,287	-
Other payables and accruals	1,999,463	-
Borrowings	1,858,964	2,940,170
	5,546,714	2,940,170
As at 31 March 2010		
Trade payables	1,879,975	-
Other payables and accruals	3,308,637	-
Borrowings	1,107,253	4,000,000
	6,295,865	4,000,000
Company		On demand or within 1 year \$
As at 31 March 2011		
Other payables and accruals		739,121
Due to subsidiaries (non-trade)		155,222
		894,343
As at 31 March 2010		
Other payables and accruals		686,182
Due to subsidiaries (non-trade)		166,416
		852,598

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

34. FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. In addition, receivables are closely monitored on an ongoing basis.

The Group's trade receivables comprise of 4 debtors (2010: 4 debtors) that collectively represented 73% (2010: 88%) of trade receivables.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Group's trade receivables are non interest bearing and are generally on 30 days (2010: 24 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group's and the Company's major classes of financial assets are cash and bank balances and trade receivables. The credit risk for trade receivables based on the information provided to key management is as follows:

	Group	
	2011	2010
	\$	\$
By geographical areas		
- Europe	982,180	1,169,124
- North America	996,219	62,551
- Asia	2,167,916	925,227
	<u>4,146,315</u>	<u>2,156,902</u>
By segments		
- Sales of finished products and components	3,998,626	2,156,902
- Design services	147,689	-
	<u>4,146,315</u>	<u>2,156,902</u>

The carrying amounts of cash and bank balances, trade and other receivables, represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

34. FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(c) Credit risk (Continued)

Cash and bank balances are placed with reputable local financial institutions. Therefore, credit risk arises mainly from the inability of its customers to make payments when due. The amounts presented in the statement of financial position are net of allowances for impairment of receivables, estimated by management based on prior experience and the current economic environment.

The age analysis of trade receivables is as follows:

	Group	
	2011 \$	2010 \$
Not past due and not impaired	2,545,914	1,355,380
Past due but not impaired		
- Past due 0 to 3 months	1,594,498	729,098
- Past due 3 to 6 months	54	7,937
- Past due over 6 months	5,849	64,487
	1,600,401	801,522
Impaired trade receivables	40,905	25,825
Less: Allowance for doubtful trade receivables	(40,905)	(25,825)
	4,146,315	2,156,902

The movement in allowance for doubtful trade receivables is as follows:

	Group	
	2011 \$	2010 \$
Balance at beginning of the year	25,825	19,761
Allowance made during the year	15,080	22,873
Write off against allowance	-	(16,809)
Balance at end of the year	40,905	25,825

Included in the Group's trade receivables are an aggregate amount of \$1,600,401 (2010: \$801,522) that are past due but not impaired. These relates to a number of independent customers of a subsidiary that have a good track record. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

As other receivables are not significant, no detailed age analysis has been set out as above.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

34. FINANCIAL RISK MANAGEMENT (Continued)

Fair values of financial assets and financial liabilities

A. Fair value of financial instruments by classes that are carried at fair value

Fair value hierarchy

The Group classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy as at 31 March 2011:

	Group			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Available-for-sale financial assets	4,308	-	-	4,308

Determination of fair value

Fair value of Available-for-sale financial assets is determined directly by reference to their published market bid price at the financial year end date.

B. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and bank balances, current trade and other receivables, borrowings (current) and payables, due from / (to) subsidiaries and associates.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature or that they are market interest rate instruments on or near the financial year end date.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

34. FINANCIAL RISK MANAGEMENT (Continued)

Fair values of financial assets and financial liabilities (Continued)

- C. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The fair value of financial assets and liabilities by classed that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value is as follows:

	Group			
	2011		2010	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial liabilities				
Borrowings (non-current)				
- Loans	3,174,765	2,888,959	4,000,000	3,601,999
- Lease obligations	54,503	51,211	-	-

Determination of fair value

Borrowings (non-current)

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowings or leasing arrangements at the financial year end date.

Capital risk management policies and objectives

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and reserves.

The Board of Directors reviews the capital structure on an annual basis. As part of this review, the Board of Directors considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the Board of Directors, the Group will balance its overall capital structure, where feasible, through the payment of dividends and new share as well as the issue of new debt.

The Group's overall strategy remains unchanged from 2010.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011
(Amounts In Singapore Dollar)

35. SUBSEQUENT EVENTS TO THE FINANCIAL YEAR END DATE

Placement of 86,000,000 new ordinary shares

On 17 June 2011, the Company issued and allotted 86,000,000 new ordinary shares pursuant to a placement exercise subsequent to the financial year end, for cash at an issue price of S\$0.04 each. These shares rank *pari passu* in all respect with the existing ordinary shares of the Company.

Issue and allotment of shares pursuant to the exercise of shares options

On 27 June 2011, the Company issued and allotted an aggregate of 10,700,000 new ordinary shares pursuant to the exercise of options under the Addvalue Technologies Employees' Share Option Scheme, for cash at an issue price of S\$0.035 each. These shares rank *pari passu* in all respect with the existing ordinary shares of the Company.

Capital reduction exercise by a wholly-own subsidiary, Addvalue Communications Pte Ltd.

Its wholly-owned subsidiary, Addvalue Communications Pte Ltd ("AVC"), has completed its Capital Reduction exercise (the "Capital Reduction") under Section 78B of the Companies Act, Cap. 50 of the Republic of Singapore to cancel its issued and paid-up share capital by S\$32,524,337 which has been lost and is unrepresented by available assets. This amount have been applied to write-off the Accumulated Losses as at 31 March 2010 of AVC. As at 28 June 2011, the issued and paid-up capital of AVC is reduced to S\$3,498,634.

The Capital Reduction have no effect on the number of issued shares in AVC, which remains the same and AVC will remain a wholly-owned subsidiary of the Company. The Capital Reduction of AVC do not have any effect on the earnings, net tangible assets or its gearing of the Company nor the Group.

Analysis of Shareholdings

Distribution of shareholdings as at 30 June 2011

Number & Class of shares	:	1,094,605,813 ordinary shares
Voting rights	- On a show of hands	: one vote per member
	- On a poll	: one vote per share

Distribution of shareholdings and number of holders as at 30 June 2011

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	38	0.75	15,594	0.00
1,000 - 10,000	2,115	42.00	11,435,170	1.05
10,001 - 1,000,000	2,778	55.16	255,719,470	23.36
1,000,001 and above	105	2.09	827,435,579	75.59
Total	5,036	100.00	1,094,605,813	100.00

As at 30 June 2011, the percentage of shareholdings held in the hands of the public was 88% and Rule 723 of the Listing Manual is complied with.

20 Largest registered shareholders as at 30 June 2011 as shown in the Register of Members

No.	Name	No of Shares	%
1	ORIENTAL MAYA (S'PORE) PTE LTD	54,000,000	4.93
2	CREST CAPITAL ASIA PTE LTD	46,000,000	4.20
3	CREST CAPITAL PARTNERS PTE LTD	39,000,000	3.56
4	HSBC (SINGAPORE) NOMS PTE LTD	36,487,000	3.33
5	UOB KAY HIAN PTE LTD	34,901,000	3.19
6	CHAN KUM ONN ROGER	32,256,240	2.95
7	TAN KHAI PANG	31,925,360	2.92
8	TAN KIM SENG	29,288,000	2.68
9	WONG KOON CHUE @ WONG KOON CHUA	27,702,000	2.53
10	CHAN KUM LOK COLIN	25,440,960	2.32
11	RAFFLES NOMINEES (PTE) LTD	21,040,760	1.92
12	LIM HAN BOON	19,990,560	1.83
13	CHEONG JI-NIN	18,790,000	1.72
14	NG SER MIANG	18,053,000	1.65
15	CITIBANK NOMS S'PORE PTE LTD	17,432,006	1.59
16	DBS NOMINEES PTE LTD	17,141,000	1.57
17	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	16,612,000	1.52
18	GOH POH HENG	16,500,000	1.51
19	THE ENTERPRISE FUND II LTD	16,000,000	1.46
20	THE ENTERPRISE FUND LTD	16,000,000	1.46
	Total	534,559,886	48.84

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of the Company will be held at 28 Tai Seng Street #06-02, Singapore 534106, on Wednesday, 27 July 2011, at 10.00 a.m., to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2011 together with the reports of the Directors and the Auditors thereon. **(Resolution 1)**
2. To re-elect Mr Tan Khai Pang, a Director retiring under Article 104 of the Articles of Association of the Company. **(Resolution 2)**

Note:

Mr Tan Khai Pang will upon re-election as Director of the Company, remain as a member of the Audit Committee and also as member of both the Remuneration Committee and Nominating Committee.

3. To re-elect Mr Michael J Butler, a Director retiring under Article 108 of the Articles of Association of the Company. **(Resolution 3)**

Note:

Mr Michael J Butler will upon re-election as Director of the Company, remain as a member of the Audit Committee and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as member of both the Remuneration Committee and Nominating Committee.

4. To approve the payment of Directors' Fees of S\$143,333 for the financial year ended 31 March 2011 (2010: S\$95,000). **(Resolution 4)**
5. To re-appoint Crowe Horwath First Trust LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Ordinary Resolutions (with or without amendments):-

6. Authority to allot and issue new shares

“(a) That, pursuant to Section 161 of the Companies Act, Cap. 50, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

- (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
- (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, “Instruments”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

Notice of Annual General Meeting

- (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and
- (b) notwithstanding the authority conferred by the shareholders may have ceased to be in force, issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

- (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;
 - (a) new shares arising from the conversion or exercise of convertible securities, or
 - (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and
 - (c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and
- (ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(Resolution 6)

(See Explanatory Note 1)

7. Authority to allot and issue shares pursuant to Addvalue Technologies Employees' Share Option Scheme

"That the Directors of the Company be and are hereby authorized to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of existing options previously granted by the Company under The Addvalue Technologies Employees' Share Option Scheme (the "Scheme") provided always that the aggregate number of shares to be issued, issued and issuable under the Scheme shall not exceed fifteen per centum (15%) of the issued share capital of the Company from time to time."

(Resolution 7)

(See Explanatory Note 2)

Notice of Annual General Meeting

ANY OTHER BUSINESS

8. To transact any other business that may normally be transacted at an Annual General Meeting.

By Order of the Board

Foo Soon Soo
Company Secretary

Singapore,
12 July 2011

Notes:

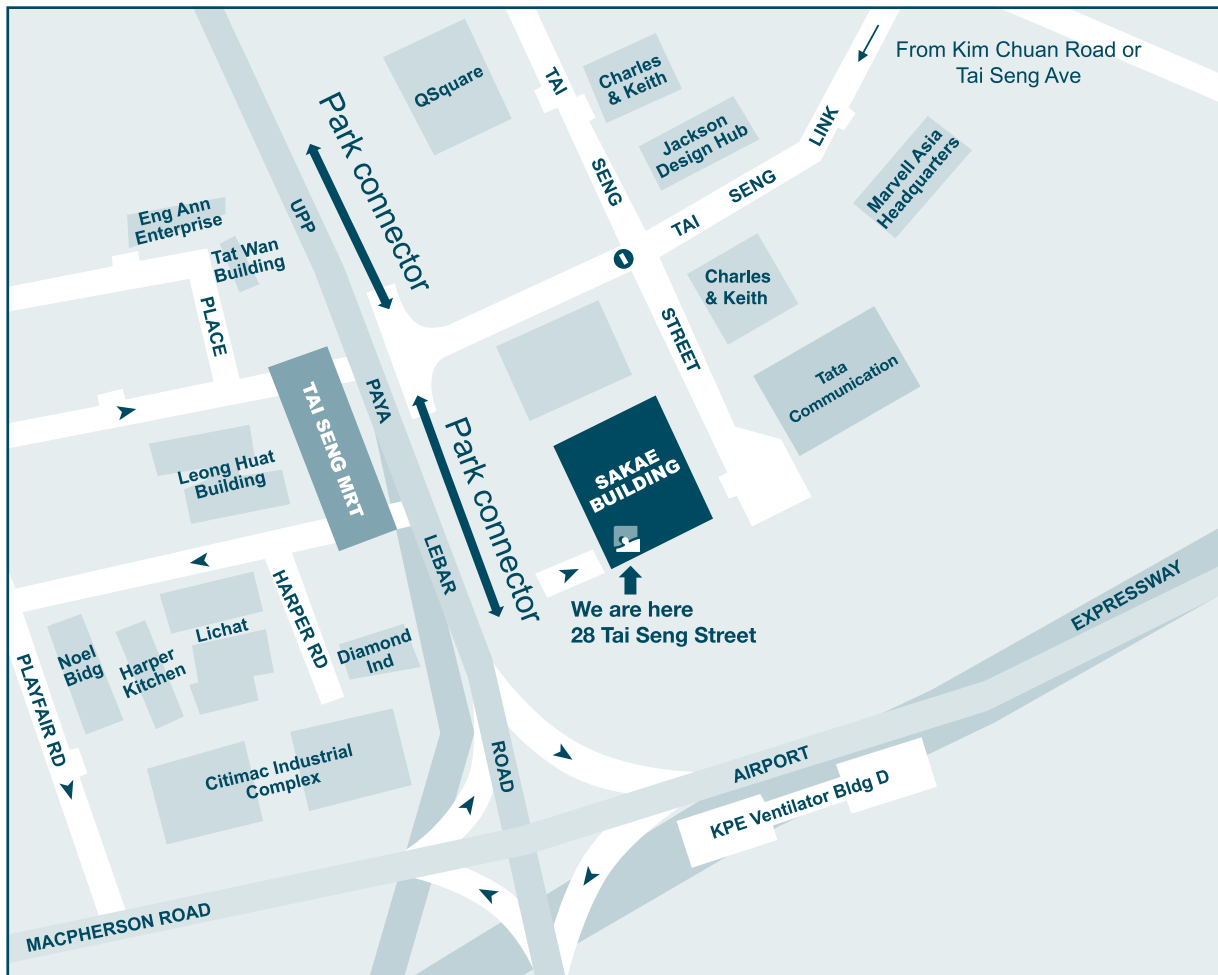
1. A Depositor's name must appear on the Depository Register not less than 48 hours before the time of the Meeting.
2. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead and any such proxy need not be a member of the Company.
3. The instrument appointing a proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the Meeting.

Explanatory Notes on Special Business to be transacted:

1. The Ordinary Resolution No. 6 in item 6 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to allot and issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the total number of issued share excluding treasury shares of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. The total number of issued shares excluding treasury shares of the Company for this purpose shall be the total number of issued shares excluding treasury shares at the time this resolution is passed (after adjusting for new shares arising from the conversion of convertible securities or share options on issue at the time this resolution is passed and any subsequent consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.
2. The Ordinary Resolution No.7 in item 7, if passed, will empower the Directors of the Company to allot and issue shares in the capital of the Company pursuant to the exercise of the options granted under the Scheme. The aggregate number of shares to be issued, issued and issuable under the Scheme shall not exceed fifteen per centum (15%) of the issued share capital of the Company from time to time. Under the Scheme, the Company's authority to grant options cease on 31 July 2012, but options previously granted will continue to be exercisable up to the expiry date of the options.

Notice of Annual General Meeting

A map on the location of the venue (being the registered office of the Company) convening the Annual General Meeting is provided below:



This page has been intentionally left blank.

PROXY FORM

FIFTEENTH ANNUAL GENERAL MEETING

Addvalue Technologies Ltd

(Incorporated in the Republic of Singapore)

Registration No. 199603037H

IMPORTANT:

1. This Annual Report is also forwarded to investors who have used their CPF monies to buy shares in the Company at the request of their CPF Approved Nominees, and is sent solely for their information only.
2. The Proxy Form is, therefore, not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____ (Name)

of _____ (Address)

being a member/members of ADDVALUE TECHNOLOGIES LTD hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or [delete as appropriate]

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 10.00 a.m. on Wednesday, 27 July 2011 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Ordinary Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	For**	Against**
1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2011 together with the reports of the Directors and the Auditors thereon.				
2.	To re-elect Mr Tan Khai Pang, a Director retiring under Article 104 of the Articles of Association of the Company.				
3.	To re-elect Mr Michael J Butler, a Director retiring under Article 108 of the Articles of Association of the Company.				
4.	To approve the payment of Directors' Fees of S\$143,333 for 2011.				
5.	To re-appoint Crowe Horwath First Trust LLP as Auditors and to authorise the Directors to fix their remuneration.				
	Special Business				
6.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.				
7.	To authorise Directors to issue shares pursuant to the exercise of options under The Addvalue Technologies Employees' Share Option Scheme				

* Please indicate your vote "For" or "Against" with a "v" within the box provided.

** If you wish to exercise all your votes "For" or "Against", please tick (v) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2011.

Total number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM

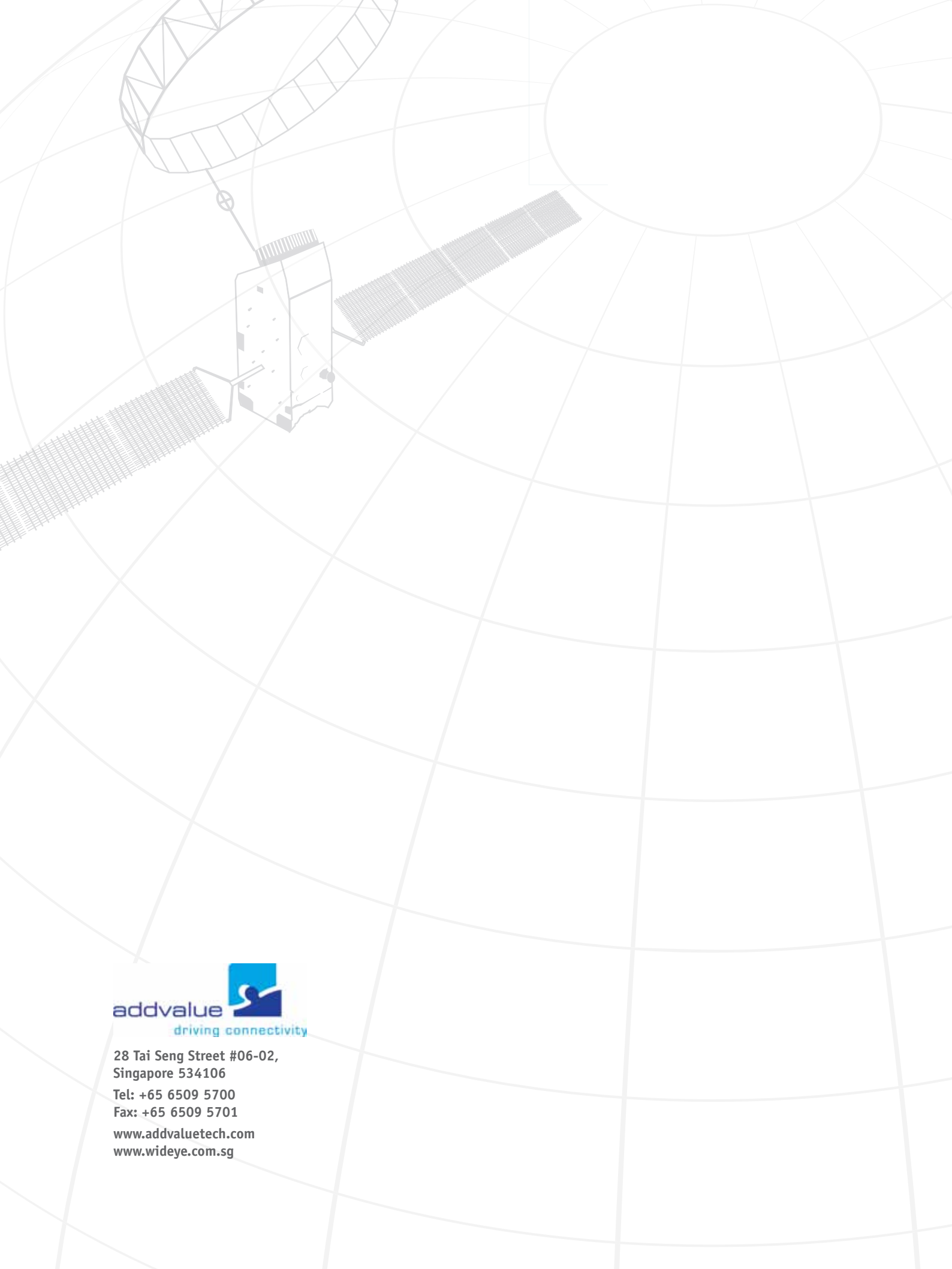


Notes

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If the number of shares is not inserted, this proxy form will be deemed to relate to the entire number of ordinary shares in the Company registered in your name(s).
2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding or the number of shares to be represented by each proxy. If no such proportion or number is specified, the first-named proxy may be treated as representing 100% of the shareholding and any second-named proxy as alternate to the first-named.
4. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof, shall be deposited at the Registered Office at 28 Tai Seng Street #06-02, Singapore 534106, not less than 48 hours before the time appointed for the Meeting.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing; or if such appointor is a corporation under its common seal, if any, and, if none, then under the hand of some officer duly authorised in that behalf. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.
7. Please indicate with a "V" in the appropriate space how you wish your proxy to vote. If this proxy form is returned without any indication as to how your proxy shall vote, he will vote or abstain from voting as he thinks fit.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or when the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.



28 Tai Seng Street #06-02,
Singapore 534106

Tel: +65 6509 5700

Fax: +65 6509 5701

www.addvaluetechnology.com

www.wideye.com.sg