ADDVALUE

ENABLING SMART CONNECTIVITY

ANNUAL REPORT 2025

CONTENTS

OUR PURPOSE:

Leveraging Communications Technologies to Boundless Connectivity

We enable companies to unleash their real business potential by harnessing our products and services.

CORPORATE PROFILE

ABOUT ADDVALUE

Addvalue is a world recognised 'one-stop shop' communications technology products developer that provides state-of-the-art satellite-based communication and other innovative digital broadband products and solutions for a variety of connectivity for applications at seas, on land, on flight and even in space. Addvalue's technical competencies include Radio and Antenna Design, Embedded System Design, Software Defined Radio platform. Its customers include leading organizations in commercial, defence and space industries.

Addvalue's products and solutions revolve around the concept of 'Digital Connectivity as a Service'. In particular, Addvalue knows best to leverage satellite communications technologies for reliable, resilient, and smart connection, be it between people, between machines or between people and machines. These products and solutions, including the IoT, are ideal choices for communications in areas around the world where terrestrial networks are non-existent or ineffective.

Addvalue also offer customised design services, tailored to the unique needs of our customers, thereby enabling our customers to unleash their real business potential. Its comprehensive and proven capabilities in high quality product development and its depth of technical knowhow in sophisticated engineering projects have been highly regarded in the industry. This not only gives Addvalue tremendous competitive advantages to attract high value projects but also expand its opportunities into new and evolving markets that require the profile of its core competence.

In this regard, Addvalue has extended its advanced connectivity capabilities into the evolving aviation industry and the emerging and exciting industries of new space. Its embedded system design capabilities on software defined radio ("**SDR**") platforms, which are ideal for edge processing, are deployed to exploit the increasingly industrial demands for Artificial Intelligent ("**AI**")-centric applications of every description.

CORPORATE PROFILE

ADDVALUE'S DIGITAL CONNECTIVITY AS A SOLUTION

AEROSPACE SOLUTIONS
- IDRS for LEO satellite communication
- Unmanned Aerial Vehicle
- Aircraft safety services

ADVANCED RE-CONFIGURABLE EMBEDDED SYSTEM
- Software Defined Radio
- AI/ Data processing at edge

ADDVALUE'S SOLUTIONS IN INDUSTRY 4.0

INDUSTRIAL SOLUTIONS
- Industrial IoT
- Environmental Monitoring
- Energy management
- Smart Agriculture
- Fisheries sustainability

ONE-STOP SHOP DEVELOPER

01 Conceptualisation

02 Specification

03 Design & Development

04 Qualification & Market Trial

05 Commercialisation

Business Model

Addvalue organizes its business into the following segments as it grows its various revenue streams (comprising hardware sales, solution and airtime income as well as design service fee) along market opportunities driven by the new age of digital economies:

Space Connectivity ("**SPC**") Related Business

Advance Digital Radio ("**ADR**") Related Business

Satcom Connectivity ("**STC**") Related Business

Strategic Design Services ("**SDS**") Related Business

TECHNICAL CAPABILITIES

Radio Design

- RF Transceiver and Front-End Design
- Antenna Design
- Digital Baseband Design
- Software Defined Radio

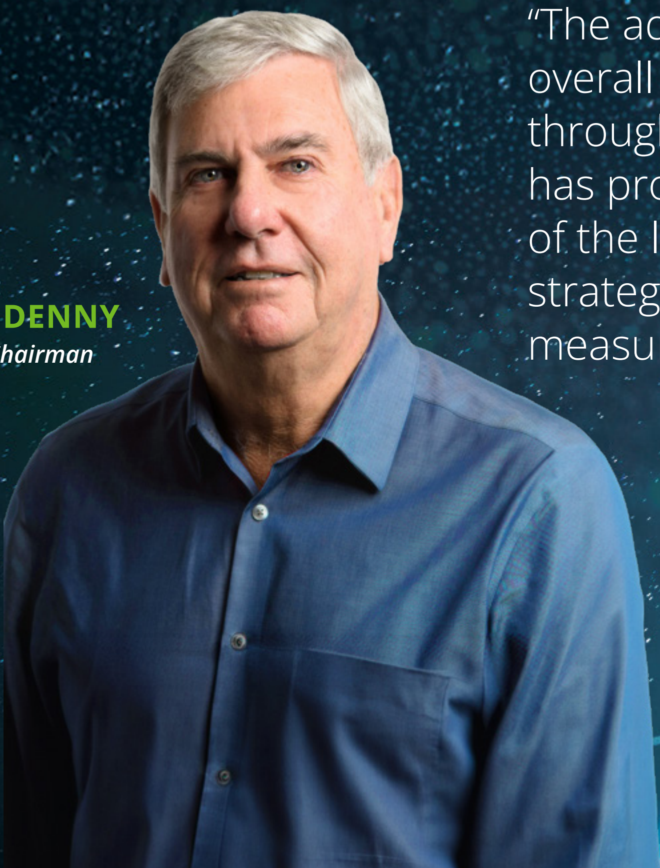
Embedded Design

- Drivers/RTOS /Middleware
- Web-based Interface
- Embedded Applications
- Network Management
- Edge Processing

Product Design

- Mechanical Design
- Industrial Design
- Hardware Design
- Environmental Stress/ Reliability Testing
- Regulatory Compliance

CHAIRMAN'S STATEMENT



RICHARD J DENNY
Non-Executive Chairman

"The admirable growth and overall performance of the Group throughout this past financial year has provided further confirmation of the level of success of the strategic and operational measures being implemented."

Going forward, we will be exploring strategic options that can further enhance shareholders' value including forging strategic collaborations to open new market opportunities and also seeking opportunities to realise the intrinsic business value of the Company, in particular to unlock the value of our SPC-Related business.

We enter FY2026 in a healthy position and with a high degree of confidence in our future performance. Our confirmed order book of approximately US$14.3 million as of this writing across all business segments is most encouraging and we are, as well, broadening and strengthening our customer base. We anticipate this strong growth trend to continue as we move forward.

REVENUE
US$15.5 million

SPC-RELATED BUSINESS REVENUE
US$8.4 million

ADR-RELATED BUSINESS REVENUE
US$6.2 million

NET ASSET VALUE PER ORDINARY SHARE
0.25 US Cent per Share

DEAR FELLOW SHAREHOLDERS

The Addvalue Technologies Group achieved further significant growth this year and, as such, it gives me great pleasure to report on the performance of the Group in this my third year as Chairman. On behalf of the Board of Directors (the "**Board**"), I hereby present to you the Annual Report of Addvalue Technologies Ltd (the "**Company**") and its subsidiaries (the **Group**") for the financial year ended 31 March 2025 ("**FY2025**").

FINANCIAL HIGHLIGHTS

The Group continued to enjoy the very positive growth rate witnessed from the previous financial year. A 22% growth in revenue was realised, resulting in US$15.5 million revenues in FY2025 from the US$12.8 million in revenues for FY2024. The increase was mainly attributable to ongoing increases in sales from both the SPC-Related Business and ADR-Related Business. Our SPC-Related business delivered more IDRS terminals in FY2025 against that in FY2024, resulting our revenue recorded a 25% growth from US$6.0 million in FY2024 to US$7.5 million in FY2025. In addition, our cumulative recurring airtime revenue from the provisioning of IDRS data connection services grew by approximately 50% to US$924K in FY2025, up from US$617K in FY2024. Similarly, our ADR-Related business grew by 29% to US$6.2 million in FY2025 from US$4.8 million in FY2024. These encouraging results provided further confirmation of the continual development of our ADR products.

Our consistent efforts over recent years in optimising solution-centric business models has thus demonstrated our successful drive towards continued growth across our SPC-Related and ADR-Related Businesses.

FINANCIAL POSITION

The financial position of the Group continues to improve. The Company carefully navigated our path to avoid the need for any further fund raising exercises throughout the FY2025 period, expanding our business throughout the year from operational receipts. As at 31 March 2025, the Group's working capital position was US$3.1 million, versus US$2.9 million as at 31 March 2024. Net asset backing per share improved to 0.25 US cent as at 31 March 2025 from 0.19 US cent as at 31 March 2024.

LOOKING FORWARD

The FY2025 results provide clear confirmation that the measures and strategic changes which have been introduced over these past several years are now demonstrating the anticipated outcomes. It was always expected that such changes would not reap overnight rewards and that the process required time, focus and ongoing commitment by all. It has therefore been very satisfying to experience the increasingly wider adoption of the solutions we provide across the SPC-Related Business and the ADR-Related Business:

1. **SPC-Related Business (referencing our IDRS product and associated services):**

    a. The traditional means by which Low Orbit Earth ("**LEO**") satellite operators have connected with their in-orbit spacecraft is via a number of ground station antennae positioned around the world and providing line of sight connectivity. Given that the fast-moving satellites provide a very limited connectivity window, measured in minutes, to any single point on earth, the LEO operator has traditionally required a large number of ground stations to provide extended periods of connectivity. This inherent design is thus costly to establish and to maintain over the long term, as well as being severely limited in functionality for the increasing reliance on constant and near realtime data. Today LEO satellite operators need much better data communications technologies to overcome such inflexible and expensive ground station architecture.

b. From the time of the launch of the first commercial LEO satellite equipped with IDRS, in late 2020, we have continued to provide the only data communications solution capable of providing almost-real-time, always-on, any time and in any geographical location two-way data connectivity to LEO satellites. We achieve this through our partnership with Inmarsat/Viasat and via the sophisticated BGAN geostationary satellite network. The satellite industry has, throughout FY2025, continued to develop, expand and innovate. Such processes have seen new satellites being designed and launched, new LEO constellations being prepared for testing and service introduction and a wide range of new applications being implemented, including climate change, advanced communications needs, geopolitical events, strategic opportunities and commercial developments. We believe the IDRS is well poised to take full advantage of the potential of this new market segment of the space industry.

c. The range of IDRS customers that have been publicly announced with their consents include, amongst others, such respected operators as Capella Space, iQPS, VAST Space, Synspective, Atomos Space, Astroscale and Space Inventor. They represent a spread of LEO satellite technologies for a wide variety of space-based applications and extending from earth observation to remote sensing to space-tug services and space debris management.

d. As of this writing, we have an order book of approximately US$5.3 million and a pipeline of sale leads with high confidence of a further US$4.7 million.

e. With further satellites equipped with IDRS being launched in FY2025, our recurring airtime revenue from the provisioning of IDRS data connection services grew by 50% to US$924K in FY2025 from US$617K in FY2024. In addition to the existing 19 satellites equipped with IDRS in orbit, based on our current understanding of our respective customers' launch programs and their launch service providers such as SpaceX, Rocket Lab and PSLV, we estimate at least 12 units of the IDRS flight terminals will be launched over the next 6 to 12 months. The new launches will add to the recurring airtime revenue from our provision of data connection services. Therefore, we expect continued growth for both IDRS terminals and recurring IDRS airtime revenue over the next 12 months.

2. ADR-Related Business etc (relating to the sales of our reconfigurable embedded hardware solutions developed for software defined applications which also includes Software Defined Radio ("SDR"))

a. Over the past years the development of several SDR modules under various contracts with our partners, including a large local technology company, has paved the way for our supply of such modules to generate this new stream of revenue. The contract of US$3.67 million with optional purchase was awarded in May 2024 (refer to our SGX Announcement dated 23 May 2024). We have also received new design contracts which shall be the enablers for subsequent supply revenue, with some of the developmental work likely to be completed within FY2025.

b. The ultra-high-quality standard demanded by our clients and the challenges in managing the supply chains and manufacturing processes have collectively elevated the overall capabilities of our company in managing the supply chain and in manufacturing such ultra-high-quality products. With the successful deliveries of the products, we are confident of receiving repeated purchase orders from the same client. With this strong credential, we are now attracting new customers with similar quality demands for our design and supply services.

c. Since the successful launch of the ADRS1000™ module, a state-of-the-art 16-channel Direct Sampling re-configurable wireless System-on-Module (SOM), we successfully shipped and fulfilled customers' orders in anti-drone and smart RF sensing industries in FY2025. While we continue to receive orders from these industrial segments for delivery in FY2026, we are also ratcheting up our sales and marketing efforts to address new market opportunities from other industries, where highly complex software defined applications are now moving.

d. As of this writing, we have an order book from ADR-Related Business including new design and supply contracts of approximately US$9.0 million and a pipeline of sale leads with high confidence of some US$2.2 million.

SUMMARY

We have seen a significant and continued improvement this year in the business performance across all the business metrics and including a notable increase in revenue of 22% compared to FY2024. Most importantly, the commendable FY2025 financial results of a post-tax profit of US$2 million cemented our resolve to steer Addvalue into a profitable path by successfully delivering a consecutive profitable year, after turning the corner in FY2024 where we realised a post-tax profit of US$277,000. This achievement bears true testament to the commitment and dedication by the management and staff in their ongoing and notable endeavours.

We enter FY2026 in a healthy position and with a high degree of confidence in our future performance. Our confirmed order book of approximately US$14.3 million as of this writing across all business segments is most encouraging and we are, as well, broadening and strengthening our customer base. We anticipate this strong growth trend to continue as we move forward.

Going forward, we will be exploring strategic options that can further enhance shareholders' value including forging strategic collaborations to open new market opportunities and also seeking opportunities to realise the intrinsic business value of the Company, in particular to unlock the value of our SPC-Related business.

A WORD OF THANKS

As expressed in previous Annual Reports, the management and staff once again deserve full recognition and appreciation for their commitment, wide range of contributions, applied expertise and firm belief in all that we are doing. We are truly thankful and fully appreciative to all the members of the Addvalue Technologies Team.

This year too has seen an expansion in our customer base and we wish to express our appreciation to those new customers who are entrusting us in providing them with such mission-critical solutions. As well, our established customer base remains strong and supportive and, in return, we have continued to provide our full commitment and firm endeavours in meeting their needs to the fullest extent possible. I would also again wish to recognise the significant support provided by our supplier base – one which we know , trust and work so strongly with.

It would most certainly be remiss of me if I didn't extend my sincere appreciation to my fellow Directors of the Group. We continue to operate with a relatively small number of Directors, but the commitment, breadth of expertise and the experience of the Board Members has again provided the strategic focus to assist in the delivery of these FY2025 results.

Our Shareholders have, once again, demonstrated their ongoing support to the business and it is thus a great pleasure to present these annual results. This FY2025 outcome is enabling us to continue to position ourselves towards the ongoing growth which will enable us to express not just this particular appreciation to our Shareholders, but to reach a point at the earliest possible juncture where our Shareholders can realise the tangible benefits of our success.

RICHARD J DENNY
Non-Executive Chairman

FINANCIAL REVIEW

TURNOVER

The Group recorded a 20.5% increase in turnover to US$9.8 million for 2H2025 from that of US$8.2 million in 2H2024 and a 21.6% increase to US$15.5 million for FY2025 compared to US$12.8 million in FY2024 mainly due to our 2 main engines of growth, namely Space Connectivity-Related Business ("**SPC-Related Business**") and Advanced Digital Radio-Related Business ("**ADR-Related Business**") continuing their growth momentum for the year under review.

More than 94% of the revenue in FY2025 was attributed to the SPC-Related Business and ADR-Related Business as both registered significant year-on-year growth of 28.8% and 28.1% respectively. The growth of the SPC-Related Business was driven by the continual orders for our IDRS terminals and the accompanying data connectivity services predominantly from US and Japan. The ADR-Related Business was largely driven by the supplies of certain reconfigurable embedded modules that the Company developed against contracts for a large technology company. Added to this revenue is the improving sales of the ADRS1000, a highly compact state-of-the-art Software Defined Radio ("**SDR**") module for advanced complex digital radio applications in the new era.

PROFITABILITY

The Group recorded a gross profit of US$8.1 million against a gross profit margin of 52.1% for FY2025 compared to a gross profit of US$6.7 million against a gross profit margin of 52.5% for FY2024.

The higher gross profit was attributed principally to the higher delivery of products in both 1H2025 and 2H2025 relative to 1H2024 and 2H2024.

The selling and distribution expenses of the Group increased by US$216,000 or 23.4% from US$925,000 in FY2024 to US$1,141,000 in FY2025 due mainly to new marketing initiatives, including additional marketing and overseas travelling expenses incurred for participation in overseas exhibitions and sales trips and additional business development support during the year.

The administrative expenses of the Group decreased from US$3,390,000 by 3.8% in FY2024 to US$3,261,000 in FY2025 due primarily to more staff costs allocated into cost of sales in FY2025 in tandem with the increasing back-end production activities taken up by our staff instead of outsourced.

The other operating expenses increased by US$762,000 or 43.3% from US$1,761,000 to US$2,523,000 mainly attributed to higher amortisation with the commencement of amortisation upon completion of projects in FY2025 and increase in inventory provision in FY2025 as compared to FY2024.

The other operating income of the Group in FY2025 related mainly to various grants received and gain on liquidation of subsidiary while FY2024 mainly related to government grants received, fair value gain and reversal of debt deemed not payable.

The lower finance expenses incurred by the Group in FY2025 can be attributed mainly to lower borrowings needed to augment our working capital to support the increased orders with improved working capital position. The major borrowings supporting our operations which we need to service are narrowed to the S$4.66 million RCB which was completed in November 2022 and maturing in November 2027 and the S$1.02 million CLN maturing in January and March 2026.

Taxation of US$322K relates to the recognition of deferred tax assets of US$377K after taken into account of the US$36K deferred tax liability as at 31 March 2025. Deferred tax assets are mainly due to the extent that realisation of the related tax benefits through future taxable profits is probable.

Consequence to the above, the Group's performance continued to improve and chalk up a net profit after tax of US$1,953,000 for FY2025 compared to that of US$277,000 in FY2024.

Review of financial position as at 31 March 2025 (relative to that as at 31 March 2024)

LONG-TERM ASSETS

The increase in property, plant and equipment of the Group was attributed mainly due to purchase of lab equipment and computers and software related purchase for the expansion programme to increase production capacity.

The intangible assets relate mainly to the development expenses incurred (net of amortisation and impairment) as the Group continues to develop its proprietary technologies and products, including its space resilient technologies and new spin-off products and services. The slight increase of 2.6% was due mainly to development expenses incurred in FY2025 for certain projects offset by the commencement of amortisation of part of the completed space resilient projects without further impairment of existing development expenses.

In view of the reducing sales of satcom products, the Group elected to winddown the China subsidiary and we will continue our business support directly from Singapore.

Deferred tax asset increased by US$377K mainly due to the extent that realisation of the related tax benefits through future taxable profits is probable.

CURRENT ASSETS

Inventories increased by 19.4% to support the increasing secured orders as we fulfilled SPC-Related orders with both new purchase of materials and supplemented by W-I-P in hand which we produced in batches for efficiency and consistency. Similarly, we needed to bring in many materials for the increasing ADR-Related orders due to its long lead time of several months.

The trade receivables increased by 6.2% in line with the increasing sales activities for FY2025. The other receivables, deposits and prepayments decreased by 36% due to lower prepayments made to suppliers as we partially fulfilled the purchase orders placed by our customers for our IDRS Terminals (SPC-Related Business) through our stocks in hand during FY2025.

Other investment decreased due to disposal of equity investment in FY2025.

CURRENT LIABILITIES

The decrease in trade payables by 10.1% or US$467k was attributed to settlement of suppliers' invoices and to lower inventories carried to support the higher sales volume deliveries towards the year end with the W-I-P in hand which we produced in batches for efficiency and consistency explained above.

The other payables and accruals increased slightly by 1.7% as accruals for expenditure incurred to support increased volume of businesses remain largely unchanged.

The decrease in provisions from US$212K to US$170K was due mainly to the lower provision for Directors' fees for FY2025 arising from one less director who retired from the Board effective 31 March 2024 and not replaced yet.

The increase in current borrowings was attributed to the re-classification from non-current borrowings of the CLN maturing in January 2026 and March 2026.

The increase in current lease liabilities due to the decrease in non-current lease liabilities as the lease period was shortened to current within 12 months period.

The increase in contract liabilities related mainly to US$1.7 million advances and deposits from new and existing customers for new purchase orders received for our IDRS Terminals (SPC-Related Business) and consigned chips for ADR1000 during FY2025.

NON-CURRENT LIABILITIES

The non-current borrowings consist of the Redeemable Convertible Bonds issued in November 2022 which will mature in 5 years from issue date. The decrease is due to the CLN issued during FY2024 which will mature in 2 years from issue date in January and March 2026 being reclassified as current borrowings.

Deferred tax liabilities increased by 2.6%. It is a tax obligation that a company owes but does not have to pay until a future date, arising from timing differences between accounting income and taxable income, mainly due to amortisation and depreciation between accounting and tax purposes.

The is no change in Share Capital for FY2025 as compared to the allotment of 717,430,000 new ordinary shares pursuant to Placement, Warrants and Optional Subscriptions Rights exercised in 1H2023 and the allotment of 117 new shares pursuant to the conversion of RCB.

The statutory reserve and foreign currency translation reserve were reversed due to liquidation of the foreign subsidiary.

Consequence to the above:

1. The gearing of the Group (defined as the ratio of all interest-bearing loans of the Group to the shareholders' fund of the Group) declined to 55.8% as at 31 March 2025 from 76.1% as at 31 March 2024 in tandem with the better financial results;

2. the working capital position of the Group improved to US$3.13 million as at 31 March 2025 from US$2.86 million as at 31 March 2024;

3. the net cash flow of the Group recorded a net cash generated from operation of US$3.6 million in FY2025 compared to that of US$1.8 million in FY2024 largely due to vastly improved operating profit from operating activities resulting in a cash on hand of US$1.5 million as at 31 March 2025; and

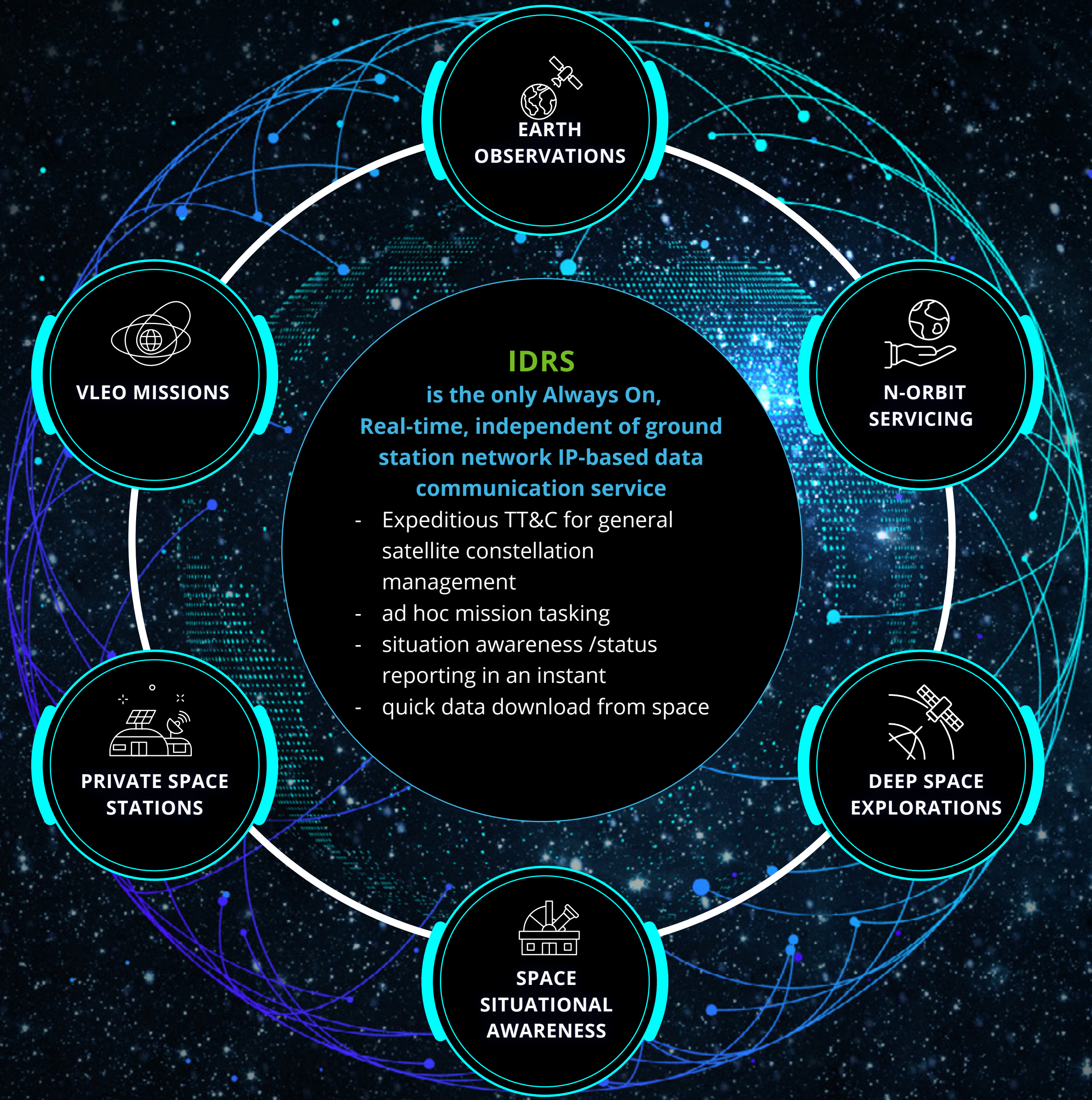
4. the net asset value of the Group improved from US$6.1 million to US$8.0 million as at 31 March 2025 while the net asset value per ordinary share improved to 0.25 US cents from 0.19 US cents per share as at 31 March 2024.

IN CONCLUSION

We are bolstered by the continual revenue growth attained in FY2025 as compared to FY2024 as well as achieving an improving positive EBIDTA and a profit after tax of US$1,953,000. We expect the momentum to continue for the next 12 months.

OPERATIONS REVIEW

The Group achieved the following key operations milestones (by business segments) during FY2025



IN RESPECT OF THE SPACE CONNECTIVITY ("SPC") RELATED BUSINESS

23 May 2024

The Group secured a new order worth US$1.72 million. This order involves the supply of IDRS terminals and engineering services to two existing Inter-Satellite Data Relay System (IDRS) customers and one new IDRS customer.

4 June 2024

The Group announces a new partnership between Space Inventor and Addvalue to deploy the game-changing IDRS™ communication technology for the AI-powered Bifrost In-Orbit Demonstrator mission, enhancing Denmark's maritime surveillance capabilities. Supported by a Danish/Swedish consortium, Bifrost is a single-satellite, technology demonstration project commissioned by the Danish Ministry of Defense.

5 August 2024

The Group has secured several orders worth US$2.22 million consist of repeat orders for multiple Inter-Satellite Data Relay System (IDRS) terminals from two existing clients who are expanding their satellite fleets to meet business demands.

5 August 2024

The Group has secured orders from two new customers in Europe and South America for its Space Connectivity-related business, increasing the Group's order book to US$10.8 million.

19 November 2024

The Group announces a collaboration between D-Orbit, a market leader in the space logistics and transportation and Addvalue to deploy Addvalue's Inter-satellite Data Relay System (IDRS™) for D-Orbit's ION in-orbit demonstration mission, set to launch in mid-2025. The mission aims to deliver groundbreaking infrastructure-as-a-service capabilities to D-Orbit's Software In-Orbit Demonstration (SW IOD) customers.

11 December 2024

The Group has secured a new order worth US$1.5 million for multiple Inter-Satellite Data Relay System (IDRS) terminals from an existing client, which is part of their satellite fleet expansion plans.

30 December 2024

The Group has secured repeat orders worth approximately US$1.11 million for multiple Inter-Satellite Data Relay System (IDRS) terminals from two existing clients, expanding their satellite fleets to meet increasing business demands.

APPLICATIONS REQUIRING ADVANCED DIGITAL RADIO TECHNOLOGIES

Anti-Drone & Unmanned Aerial System

Phased Array Radar in Aerospace & Defense

Complex Test and Measurement Instruments

5G New Radio (NR) NTN/TN Wireless Infrastructure

Next Generation Multi-orbit Mobile Satellite Network

Remote PHY RFoIP with Mobile GSE

IN RESPECT OF THE ADVANCE DIGITAL RADIO ("ADR") RELATED BUSINESS

23 May 2024

The Group secured a new contract worth US$3.67 million. This contract involves the supply of several proprietary software-defined and RF communication modules to an existing large technology customer.

11 November 2024

The Group has secured a new order worth US$3.7 million for its Advanced Digital Radio (ADR)-related Business, doubling the total contract value with an existing large technology customer to US$7.37 million.

19 December 2024

The Group has driven its order book to US$16.1 million with an additional order of US$1.5 million for proprietary software-defined and RF communication modules to an existing ADR customer.

BOARD OF DIRECTORS

MR. RICHARD J DENNY

Independent and Non-Executive Chairman

Mr. Denny was appointed to the Board on 1 May 2018 and serves as an Independent Director of the Company and was appointed as Non-Executive Chairman on 1 April 2023 following the retirement of Dr. Colin Chan Kum Lok, former Executive Chairman of the Group. Mr. Denny is also the Chairman of Nominating and Remuneration Committee and a member of the Audit and Risk Committee. Mr. Denny, an Australian national, has had over 40 years of experience in the space and satellite sector. Mr. Denny joined Inmarsat in 1988 and held a range of positions spanning across the technical and operational functions of Inmarsat before he retired in 2012. From 1998 to 2008, He held the position of Vice President of Satellite and Network Operations, and was responsible for Inmarsat's fleet of satellites, network operations activities, satellite gateways, spectrum regulatory and spectrum management activities as well as satellite navigation services. In 2009, Mr. Denny assumed a new role in spear heading the engineering activities across Inmarsat, ranging from new product and service development to systems engineering, of noteworthy mention were the engineering activities in connection with Inmarsat's new IsatPhone Pro hand-held satellite phone.

From 2006 to 2012 and in conjunction with his operational and engineering responsibilities at Inmarsat, Mr. Denny was appointed as the President Commissioner of PT ISAT, a new satellite business established by Inmarsat in Batam, Indonesia to expand the engineering and operational functions of Inmarsat in the Asia region.

Prior to joining Inmarsat, Mr. Denny was with AUSSAT (now OPTUS) in Australia, and was tasked to establish the company's satellite control facilities and its subsequent launch and in-orbit operations of its first generation satellites.

Before his stint with AUSSAT, Mr. Denny held various positions in the satellite control and satellite communications field with the Overseas Telecommunications Commission (now part of Telstra), an Australian international communications carrier. These roles primarily involved satellite launch and in-orbit support activities for Intelsat and the European Space Agency.

MR. TAN KHAI PANG

Chief Executive Officer

Mr. Tan, one of the co-founders, has over 30 years of experience in product development and management in the field of telecommunications, with primary focus on satellite communications product development and strategic business management. He is instrumental in re-shaping Addvalue's strategic focus, re-directing new development efforts and sharpening the organizational capabilities for the successful business transformation. Prior to his appointment as Addvalue 's CEO in January 2022, Mr. Tan was the Chief Operating and Technology Officer where he focused on pivoting the company businesses to new growth markets for digital connectivity solutions, particularly in space, satcom and software defined radio industries.

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.

MS. GOH LIANG CHOO

Independent and Non-Executive Director

Ms. Goh Liang Choo was appointed to the Board on 10 November 2022 and serves as an Independent and Non-Executive Director of the Company. Ms. Goh is also the Chairman of the Audit and Risk Committee and a member of the Nominating and Remuneration Committee. Ms. Goh brings with her more than 35 years of management experience from her career in Shell (International), UBS Warburg (London), General Electric Company (USA) and Ernst and Young (Singapore). She has deep expertise in diverse areas including board directorships, joint ventures governance, acquisitions and business integrations, process and business transformation, risk management, business planning, financial management and external audit.

Ms. Goh holds a Bachelor of Accountancy from National University of Singapore. She is also a member of the Institute of Singapore Chartered Accountants and an Ordinary Member of the Singapore Institute of Directors.

Ms. Goh's deep professional expertise, ethical values and commitment to corporate governance make her an invaluable asset to the Company, contributing to its strategic direction and long-term growth. Ms. Goh is also the first female director for the Company.

MR. PAUL C BURKE

Non-Independent and Non-Executive Director

Mr. Paul C Burke was appointed to the Board on 29 September 2020 and serves as a Non-Executive Director of the Company and is also a member of the Nominating and Remuneration Committee. Mr. Burke, an American citizen, is a businessman and entrepreneur with over 25 years of experience in the aviation industry. He is currently the CEO and Director of Konnectronix, Inc. (f/k/a Telefonix, Inc.), a company he founded in 1989, which now focuses on product design and manufacturing for the e-mobility market following the sale of the company's aerospace assets in December 2017. He is also the Company Secretary and Director of Vanguard Protex Global, Inc.

Mr. Burke graduated with a Bachelor of Business Administration major degree (with Engineering as a minor degree) from University of New Haven, Connecticut, USA in 1973.

MR. CHUA CHWEE KOH

Non-Independent and Non-Executive Director

Mr. Chua was appointed to the Board on 1 Jan 2022 and serves as a Non-Executive and Non-Independent Director of the Company. Mr. Chua is also the Chairman of Board Exco Committee and a member of the Audit and Risk Committee. Mr. Chua is the former Chief Operating Officer of Certis CISCO and he brings with him a wealth of experience having spent 17 years with Certis CISCO in leading and transforming the business. He played a key role in integrating operations & technology in the security business and was leading the digital transformation in the last three years. Prior to joining Certis CISCO in 2004, Mr. Chua served 22 years in Singapore Armed Forces and retired with the rank of Brigadier General. In addition, he is also an Independent and Non-Executive Director at Raffles Education Ltd, listed on the Singapore Stock Exchange, an Independent and Non-Executive Director at Trident Digital Tech Holdings Ltd, listed on the NASDAQ, a member of Audit Committee of Dementia Singapore (charity), a council member at the RHT G.R.A.C.E. Institute, and an Individual Consultant for A.T. Kearney Saudi Arabia Limited.

Mr. Chua graduated with a Bachelor of Science – BS, Mechanical Engineering & Economics with First Class Honours from University of Birmingham in 1985. He holds a Master of Public Administration from Harvard University and also completed Advance Management Program by Harvard Business School.

KEY MANAGEMENT

MR. WONG TAT YANG

Chief Financial Officer and Company Secretary

Mr. Wong, joined the Group in 2023, is responsible for overseeing all the financial management, accounting, corporate secretarial, and tax matters in the Group. Mr. Wong is in the accounting profession for more than 40 years with more than 27 years working experience in Singapore listed companies. Prior to joining the Group, he was instrumental in the success of 3 Initial Public Offerings exercises and has exposure in various sectors, including marine, construction, motion control, industrial computing solutions and chemical engineering.

Mr. Wong holds a Bachelor of Accountancy from National University of Singapore. He is also a Fellow Member of the Institute of Certified Public Accountants of Singapore and a Fellow ember of Association of Chartered Certified Accountants.

MR. RICHARD LAU

Chief Commercial Officer

Mr. Lau joined the Group in January 2022 as SVP, Commercial & Marketing and was appointed as Chief Commercial Officer on the 1 February 2023. Mr. Lau is currently assisting the Chief Executive Officer in the overall commercial and operations of the Company and its subsidiaries which includes developing, establishing and implementing the Group's business development and operating policies and business plans.

Prior to joining the Group, Mr. Lau held senior leadership positions at some of Singapore's leading companies, across a span of 25 years where he spent 13 years at Certis CISCO Security Pte Ltd, Singapore's largest security company, heading Group Marketing and Communications and led various brand transformations including the group's branding and the launch of its cyber security business. He also spent 12 years in Singtel Ltd, one of the region's largest telecommunication companies. He held senior management roles in Singapore and overseas, including Director of Satellite Service.

Mr. Lau graduated from National University of Singapore with a degree in Business Administration majoring in Marketing. He also holds a Masters in Management of Information Systems from Institut National des Telecommunications in Paris.

MR. FRANCIS LOW

Chief Technology Officer

Mr. Low joined the Group in 2002. From 2006 to 2014 he had worked in various industries from defense, automobile to consumer electronics. Mr. Low is appointed the Chief Technology Officer in February 2023 and is currently assisting the Chief Executive Officer in the overall operations of the Company and its subsidiaries which includes developing, establishing and implementing the Group's technology roadmap.

With more than 22 years of experience in designing digital wireless communications systems and satellite communications for both fixed and mobile satellite terminals and having been involved in many research and development projects and also well versed in many aspects of technologies, including (FPGA) Field Programmable Gate Array, ASIC (Application Specific Integrated Circuit), digital signal processing, RF (Radio Frequency) and Microwave, Mr. Low is also responsible for identifying future technology trends and exploring strategic collaboration opportunities with research institutes and industries.

Mr. Low graduated with a MSc in Electrical Engineering with specialization in wireless communication from the Nanyang Technological University.

MR. TAN JUAY HWA

Project Director

Mr. Tan, one of the co-founders, has over 32 years of experience in communications design, proprietary software technology development for communications products and product development management. In 2016, with the view to reinforce the independence of the Board, Mr. Tan has decided not to seek for re-election as Executive Director of the Company, but will remain as a Director of the Group's wholly-owned subsidiary, Addvalue Communications Pte Ltd and Revere Space Inc. and continue to hold a key management role heading the Project Management team. For the past 20 years, his primary focus was on project management for satellite communication products.

Mr. Tan holds a Diploma in Electronics from the Ngee Ann Polytechnic and a Master of Business Administration Degree from the Open University, United Kingdom.

MR. K. KALAIVANAN

Head of Solutions & Managed Services

Mr. Kalaivanan joined the Group in 1996 and specialises in telecommunications software development, especially in the area of wireless communications and networking protocols. He managed the software design team of the Group in development of the Inmarsat BGAN satellite terminal projects. Since 2016, Mr. Kalaivanan focuses on developing proprietary value added solutions, including IOT, vessel monitoring and managed networking services which enable the Group to generate recurring service income from subscriptions of these solutions and airtime services.

With more than 35 years of experience in the telecommunications industry and in product development and project management, especially in wired and wireless communications products, he has been involved in various research and development projects and co-authored a few patents for the Group.

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 Communications and Networking Software, from the University of Essex, UK.

MR. E.M.L. EKANAYAKE

Head of Product Development

Mr. Ekanayake has been an integral part of our Group since 1996. With over 30 years of experience, he specializes in electronics hardware design. Mr. Ekanayake's expertise spans various domains, including analog and digital wireless communications product development, product management, and project management.

During his tenure as the head of the hardware development team, Mr. Ekanayake successfully led the design efforts for numerous electronics hardware solutions. Notably, he played a pivotal role in designing the electronics hardware for several Inmarsat and Thuraya satellite communication terminals.

Furthermore, Mr. Ekanayake has actively participated in the design and development of tracking, navigation, and remote monitoring products. Leveraging his knowledge in Satcom, Cellular, GNSS, and LPWAN technologies, he has played a key role in creating innovative solutions that enable efficient tracking, seamless navigation, and remote monitoring capabilities.

Mr. Ekanayake graduated from the University of Peradeniya (Sri Lanka) with a Bachelor of Science (Hons) Degree in Engineering and holds a Graduate Diploma in Information Communication Technology from Nanyang Technological University.

MR. CHONG KIM HO

Head of Software Engineering and IT department

Mr. Chong joined the Group in 2005 and leads the Group's software development team as well as the IT department. With more than 20 years of experience in embedded software design and developments, especially in the area of telecommunications, networking protocols, embedded security, software defined radio and machine learning for data analytics, he has been, since 2019, involved in managing and leading the software developments for various research and development projects. In January 2023, Mr. Chong is also put in charge of overseeing the Group's IT and security infrastructure and implement process to mitigate cybersecurity risk.

Mr. Chong graduated from University of NEWCASTLE, Australia with a Bachelor of Engineering in Telecommunication Engineering (Honours Class 1). He also holds a diploma in Electronic & Computer Engineering and an advanced diploma in Data Communication & Networking from Ngee Ann Polytechnic, Singapore.

GROUP STRUCTURE

ADDVALUE TECHNOLOGIES LTD (SINGAPORE)

- Addvalue Communications Pte Ltd (Singapore) (100%)
- Addvalue Innovation Pte Ltd (Singapore) (100%)
  - Addvalue Solutions Pte Ltd (Singapore) (100%)
- Zhongxin Chuangzhi Holding Pte Ltd (Singapore) (100%)
- Addvalue Capital Pte Ltd (Singapore) (100%)
  - Reverse Space Inc (USA) (100%)
- Addvalue Global Limited (Hong Kong) (100%)

SUSTAINABILITY REPORT

CONTENTS

SUSTAINABILITY BOARD'S STATEMENT

GRI 2-22

Dear Stakeholders,

On behalf of the Board of Directors (the "**Board**") of Addvalue Technologies Ltd (the "**Company**" or "**Addvalue**") and its subsidiaries (collectively, the "**Group**"), we are pleased to present the Sustainability Report for the financial year ended 31 March 2025 ("**FY2025**").

This report provides a comprehensive overview of our progress, challenges, and goals, highlighting our commitment to continuously improving our sustainable practices to meet the evolving needs of our stakeholders. The Group's dedication to sustainability is reflected in our efforts to create positive change in the communities where we operate. Through continuous innovation and enhancement of our business portfolio, products, and services, Addvalue strives to deliver meaningful value and support for these communities. This Sustainability Report reaffirms our commitment to embedding sustainability across all aspects of our operations.

The Group remains steadfast in its commitment to sustainable development, recognising the vital importance of Environmental, Social, and Governance ("**ESG**") responsibilities, particularly those related to climate change. Addvalue is focused on fostering long-term value creation while pursuing its commercial objectives, ensuring sustainable outcomes for all stakeholders. Sustainability is embedded into our core business operations, with active engagement with stakeholders to identify business imperatives that drive sustainability improvements. Over the years, the Group's business transformation has successfully pivoted its connectivity technologies that are used in many space-based applications for environmental surveillance including tracking climate changes, identifying illicit maritime activities, and managing sustainable forestry and reforestation efforts. By cultivating a network of suppliers and vendors who uphold similar sustainability values, Addvalue aims to embed responsible practices across its entire value chain.

The Group is firmly committed to achieving its corporate social responsibility goals by upholding its core values and adapting to emerging challenges. Additionally, sustainable digital transformation for clients continues to be a key driver of our resilience. The Group is dedicated to fostering a diverse and inclusive workforce, recognising that a variety of perspectives and backgrounds significantly enhance our success. This report outlines the Group's progress in FY2025 and strategic direction towards sustainable development. We express our gratitude for your support as we work collectively towards a more sustainable future.

On behalf of Board,

MR RICHARD J DENNY,

Non-Executive Chairman

ABOUT THIS REPORT

ORGANISATION PROFILE
GRI 2-1

Addvalue Technologies Ltd was founded in 1996 and was listed on the mainboard of Singapore Stock Exchange in 2000. Addvalue's technical expertise encompasses Radio and Antenna Design, Embedded System Design, and Software Defined Radio platforms. Recognised globally as a 'one-stop shop' for communications technology products centred around "Connectivity," Addvalue leverages its extensive satellite communication knowledge to provide tailored solutions addressing application gaps in areas where terrestrial networks are non-existent, inadequate, or ineffective.

For instance, Addvalue's world's first commercial the Inter-Satellite Data Relay System ("**IDRS**") solution is essential for all LEO satellite missions that require immediate and on-demand communication for tasks such as data alert on change detection, environmental monitoring, emergency response, crisis intervention, and weather satellite services. Additionally, Addvalue's iFleetONE Vessel Monitoring System ("**VMS**") assists fisheries authorities in promoting fisheries sustainability. The SABRE Ranger 5000 IoT solutions cater to various applications such as environmental monitoring and power grid management.

This year, the Group continues to address ESG aspects deemed material to the Company and its subsidiaries. As a globally recognised developer of communications technology products, Addvalue provides state-of-the-art satellite-based communication and innovative digital broadband solutions for various connectivity applications at sea, on land, in flight, and in space. The Group also specialises in offering customised design services tailored to the unique needs of each customer, delivering comprehensive satellite communication solutions anytime and anywhere.

To foster sustainable value for key stakeholders, such as shareholders, employees, customers, vendors, and regulators, while pursuing commercial objectives, the Group implements diverse practices dedicated to ESG initiatives aimed at long-term value creation.

REPORTING SCOPE
GRI 2-2

The scope of this report covers Addvalue's global operations. All key entities featured in its financial reporting are also included in the sustainability reporting. For a detailed overview of the entities covered in this report, please refer to page 18 for the organisational structure.

REPORTING PRINCIPLES AND STATEMENT OF USE

GRI 2-3

The Group's annual Sustainability Report ("**the Report**") covers the reporting period from 1 April 2024 to 31 March 2025 ("**FY2025**"). The Report has been prepared with reference to the internationally recognised Global Reporting Initiative ("**GRI**") Standards 2021. The GRI Standards 2021 has been chosen for their global recognition as a benchmark for sustainability reporting, reflecting best practices for reporting on economic, environmental, social, and governance topics. By aligning with these standards, Addvalue ensures transparent and meaningful engagement with stakeholders on its sustainability performance and progress.

Additionally, the GRI Content Index section of the Report offers detailed references to the relevant GRI Standards. The Group has implemented the GRI principles to define reporting content, focusing on Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Accuracy, Balance, Clarity, Comparability, Reliability, and Timeliness.

The Group is also providing climate-related disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") on a 'comply or explain' basis. Additionally, in line with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Rules 711A & 711B and Practice Note 7.6 Sustainability Reporting Guide, the Group has also incorporated the six primary components into the Report, also on a 'comply or explain' basis.

As part of the Group's ongoing commitment to enhancing the scope and content of its sustainability practices detailed in the Report, the Group welcomes stakeholders to share their insights or inquiries on any aspect of its sustainability performance. Please direct your feedback to sustainability@addvalue.com.sg.

ASSURANCE

GRI 2-5

The Management of the Company ("**Management**") has established internal controls and verification processes to ensure the accuracy and reliability of the narratives and data presented in this Report. In developing its content, the Group engaged an external ESG consultant, whose expert recommendations were pivotal in selecting material topics and ensuring compliance with the GRI Standards and SGX-ST Listing Rules. However, the Group did not seek external assurance for this Report.

THE GROUP'S ACTIVITIES AND VALUE CHAIN

GRI 2-6

As the mobile industry firmly establishes itself in the 5G era, Addvalue remains committed to collaborating with partners in the satellite communication sector to drive new innovations in digital connectivity. The Group aims to deliver enhanced mobility and seamless connectivity to end-users in a responsible and sustainable manner. Addvalue markets and distributes its products and solutions through a network of partners and business consultants, reaching government agencies and commercial enterprises across North and Latin America, Asia Pacific, Europe, the Middle East, and Africa.

Headquartered in Singapore, Addvalue oversees all product development and manufacturing support activities. The Group is certified under ISO 9001:2015 for its Quality Management System, which ensures consistent delivery of products and services that meet statutory and regulatory requirements, enhance customer satisfaction, and address potential risks and opportunities. Since 2013, Addvalue has also put in place business continuity practices to strengthen organisational resilience and ensure continued operations during disruptions.

THE GROUP'S SUSTAINABILITY APPROACH AND STRATEGY

THE GROUP'S COMMITMENT TO SUSTAINABILITY

GRI 2-22

THE GROUP'S VISION

To be universally recognised as a trusted and preferred partner in the business of connecting the world sustainably, contributing to the advancement of global sustainability goals.

THE GROUP'S CORE VALUES

Always remain **Dynamic** in identifying new opportunities and emerging threats, with a commitment to sustainable development. It is the drive to seek continuous improvement in all that Addvalue does, no matter how trivial it may seem to be, ensuring environmental and social responsibility are integral to the Group's operations.

Enterprising is Addvalue's second nature. The Group is accustomed to taking calculated risks to do things differently in search of breakthroughs, always considering their long-term impact on sustainability. It is this enterprising spirit that urges Addvalue to think and act innovatively, away from convention, towards sustainable practices.

Fortitude is the hallmark of Addvalue's character, especially in the pursuit of sustainable development goals. Throughout the history of the Group, it is this nerve of steel that has enabled Addvalue to preserve and overcome all crises that confront it, while remaining steadfast in its commitment to sustainability.

THE GROUP'S CORE PURPOSE

Addvalue empowers companies to unleash their real business potentials by leveraging sustainable products and services offered, fostering economic growth while safeguarding environmental and social well-being.

Trust is the single most important asset for Addvalue, particularly in the context of sustainability. It forms the foundation of effective teamwork towards sustainable development. Without trust, earning genuine respect from others is impossible, hindering progress towards a sustainable future.

Incorporating sustainability into Addvalue's vision, values, and core purpose underscores its commitment to being a responsible corporate citizen and contributing positively to the sustainable development of communities and ecosystems worldwide.

THE GROUP'S SUSTAINABILITY APPROACH AND STRATEGY

STAKEHOLDERS ENGAGEMENT[9]

The Group recognises the vital role of effective stakeholder engagement in maintaining healthy and productive relationships. It strives to create an environment where stakeholders feel encouraged to voice their concerns, fostering a deeper understanding of their expectations and continuously enhancing value for all parties involved. In this Report, the stakeholders were identified due to their direct influence on business outcomes, ensuring that their perspectives and needs are comprehensively considered and addressed.

Addvalue remains dedicated to actively listening to its stakeholders, understanding their concerns and expectations, and safeguarding their interests. The insights gained from stakeholders' feedbacks are instrumental in pinpointing material ESG topics that resonate with their priorities, thereby guiding the development of the Group's sustainability strategy. To encourage an open dialogue and the free exchange of ideas, the Group consistently engages with its stakeholders through a variety of platforms and communication channels, as detailed below.

Stakeholders	Basis for Determining Stakeholders	Engagement Method	Frequency of Engagement	Area of Concerns	Section Reference
Investors	• Influence on Addvalue's future strategies and management's decisions	• Annual General Meeting	• Annually	• Financial performance • Governance and transparency • Anti-corruption	• Economic factors • Governance and Ethics Factors
		• Website • Announcements	• As and when necessary		
Regulators	• Compliance with local laws and regulation • Enable the Group to provide credibility and professionalism for our stakeholders	• Reporting platforms	• Annually	• Compliance with regulatory requirements	• Governance and Ethics Factors • Economic factors • Environmental factors • Social factors
Customers	• Customers' needs and preferences shapes the direction of the Group • Customer feedback drives improvements to our product and service quality	• Trade shows • Conference • Phone call • Site visits and meetings • E-mail • Website • Training and workshop	• As and when necessary	• Quality of products • Safety of products • Meeting of deadlines • Meeting technical needs and requirements	• Social factors
Business Partners and Vendors	• Influence on Addvalue's delivery of high-quality products and services	• Collaboration meetings • Trade shows • Conference • Phone call • E-mail • Factory visits	• As and when necessary	• Prompt payment • Fair business dealings • Quality of components • Delivery schedule	• Social factors • Environmental factors
Employees	• Executes the direction of the Group • Employees' skills and knowledge influence Addvalue's value creation	• Face to face communication • Annual performance review	• Throughout the year	• Fair benefits and compensation • Equal employment opportunities • Adequate training provided • Career advancement	• Social factors
		• Company-wide meetings/ training • Email announcements/ Newsletters via corporate intranet	• Annually		

MATERIALITY ASSESSMENT APPROACH

GRI 3-1

The Group's materiality assessment involves employees engaging with relevant stakeholders during their routine business activities. This process identifies sustainability factors that are essential to both the Group's operations and its stakeholders, allowing the Group to allocate resources effectively to create sustainable value. The assessment is reviewed annually to incorporate changes in business operations, environmental conditions, stakeholder feedback, and sustainability trends.

The Group's materiality assessment complies with the SGX guidelines on Sustainability Reporting and the GRI guidance for determining material topics. According to GRI standards, materiality in sustainability reporting includes topics and indicators that reflect the Group's significant economic, environmental, and social impacts, as well as those that would substantially influence stakeholders' evaluations and decisions.

In assessing Addvalue's activities, impacts, and the significant expectations and interests of its stakeholders, the Group has applied the GRI reporting principles through a four-step approach to derive its material sustainability factors.

1. Identification

The identification of material factors involves an assessment of the risks and opportunities, actual and potential impacts related the Group's activities and boundaries.

2. Prioritisation

The factors will be prioritised based on their materiality levels, their significance to stakeholders, and their importance to the Group.

3. Validation

The shortlisted material ESG factors will then be internally validated by the Group's Sustainability Committee ("**SC**"), which consists of senior management, and submitted to the Audit and Risk Committee (the "**ARC**") of the Board for approval.

4. Review

These material ESG factors will be reviewed and reassessed for their relevance to the Group's sustainability goals, and may be amended in response to changes in business operations

MATERIAL ESG FACTORS

GRI 3-1, 3-2

The Group has identified six factors as material to its business operations. Each material factor is assessed and ranked based on its level of concern to stakeholders and its potential impact on the business. The list of material factors for the year is presented below.

Anti-corruption | **Supplier environmental assessment** | **Training and career development** | **Diversity and equal opportunity** | **Supplier social assessment** | **Product responsibility**

Based on the outcomes of the materiality evaluation, the Group has identified the following factors as material:

			Boundary	
Material Factor	**Reason for Materiality**	**GRI Topics Standard Disclosure**	**Within Addvalue**	**Outside Addvalue**
GOVERNANCE AND ETHICS				
Anti-Corruption	Poses significant effects towards stakeholders	205-1 205-2 205-3	√	
ENVIRONMENTAL				
Supplier Environmental Assessment	Poses significant effects towards sustainability	308-1 308-2	√	√
SOCIAL				
Training and Career Development	Poses significant effects towards employees	404-1 404-2 404-3	√	
Diversity and Equal Opportunity	Poses significant effects towards employees	405-1	√	
Supplier Social Assessment	Poses significant effects towards suppliers	414-1 414-2	√	√
Product Responsibility	Poses significant effects towards customers	416-1 416-2	√	

GOVERNANCE AND ETHICS FACTORS

GRI 2-9, 2-16, 2-23, 2-24

Acting with responsibility and integrity is fundamental for maintaining the trust and confidence of the Group's stakeholders. To consistently uphold the highest ethical standards and ensure full compliance with applicable laws and regulations, the Group fosters an ethical working environment by requiring adherence to the Addvalue Corporate Policies and Business Conduct Guidelines, which are regularly reviewed and updated. Additionally, the Group cultivates a culture of risk awareness to promote good corporate governance and maintain a robust system of internal controls.

To safeguard against cybersecurity risks and protect confidential information for stakeholders, proactive measures are implemented. Regular seminars on the importance of compliance with the Personal Data Protection Act ("**PDPA**") are also conducted to ensure that all employees understand their responsibilities.

Furthermore, the Group has implemented an Enterprise Risk Management ("**ERM**") Framework to manage inherent risks across the Group's business effectively. An annual ERM exercise is conducted to systematically identify and assess key risks. This framework provides a structured and disciplined approach to identifying and assessing key risks and their potential impact on the achievement of the Group's key objectives. Control measures are put in place to align these risks with Addvalue's risk appetite, ensuring a holistic approach rather than isolated efforts within specific areas or functions. This enhances the Group's agility in responding to risk events.

The Board and Management are dedicated to enhancing stakeholder value through a robust corporate governance framework, exemplified by the adoption of a Sustainability Reporting Policy ("**SR Policy**") in FY2025. This policy outlines the reporting structure, materiality assessment, and processes for identifying and monitoring key sustainability factors. Acting as a cornerstone for sustainability reporting, the SR Policy has significantly facilitated the management of ESG-related risks and opportunities. Additionally, the Board supervises the identification and assessment of ESG issues that hold significance for both the operations and stakeholders.

Currently, any emerging concerns can be communicated to the Audit and Risk Committee ("**ARC**"). During the year, the ARC reviewed an anonymous complaint and concluded that it had no material impact on the business.

In FY2025, executives' contributions to the Group's sustainability goals were assessed as part of their performance. A Sustainability Committee is chaired by CEO, which is assisted by three Task Forces (Environment, Social ,and Governance) managed by C-suite officers and heads of department. The Sustainability Committee, in consultation with ARC, forms the nucleus of the Group's endeavour to meeting long-term vision and sustainability goals.

For a comprehensive understanding of the Group's corporate governance practices and risk management framework, please refer to the Statement of Corporate Governance section in the Group's Annual Report 2025. This section provides detailed insights into the Group's governance strategies, policies, and mechanisms for effectively managing and mitigating risks.

SUSTAINABILITY GOVERNANCE

GRI 2-12, 2-13, 2-14, 2-26

BOARD

AUDIT & RISK COMMITTEE

SUSTAINABILITY COMMITTEE

Chair and Members

- Chief Executive Officer ("CEO")
- Chief Commercial Officer ("CCO")
- Chief Technology Officer ("CTO")
- Chief Financial Officer ("CFO")
- HR Manager
- Head of Operations
- Head of Supply Chain Operations
- Corporate Affairs & Communications

SUSTAINABILITY TASK FORCE

ENVIRONMENT

- Head of Operations
- CTO
- CCO
- Head of Supply Chain Operations

SOCIAL

- CCO
- HR Manager
- CFO

GOVERNANCE

- CFO
- CCO
- Corporate Affairs & Communication

ALL EMPLOYEES

The Group has established a SC to oversee Addvalue's sustainability targets. Operating under the Board's ARC, the SC is led by Addvalue's Chief Executive Officer ("CEO") and supported by management executives. The SC includes the Sustainability Task Force (the "Task Force"), comprising of three sub-committees, each focusing on the different aspect, i.e., the environment, social, and governance, of the Report. These sub-committees comprise members from various departments, including finance, human resources, operations, and public relations, hosting a diversity of experiences and backgrounds.

The Task Force's core focus is to develop a comprehensive sustainability framework, fostering a culture of sustainable business practices, and monitoring sustainability performance. Their responsibilities include creating and refining this framework, ensuring business objectives align with ESG targets, and communicating progress to the Board. They supervise dedicated teams that carry out sustainability initiatives, track data and monitor progress in real time. The Task Force also evaluates objectives, addresses challenges, sets targets, and ensures alignment with the Group's strategic direction.

Moreover, the Board integrates sustainability considerations into the Group's strategy formulation. Annually, the Board reviews and approves key environmental, social, and economic topics, reinforcing the Group's commitment to sustainable practices at all levels. This top-down integration underscores the Group's dedication to embedding sustainability deeply into its operations, making it a fundamental aspect of the Group's identity.

ANTI-CORRUPTION

GRI 2-15, 2-23, 2-24, 3-3, 205-1, 205-2, 205-3

Addvalue maintains a stringent zero-tolerance policy against bribery and corruption. To reinforce this commitment, the Group has established a comprehensive whistle-blowing policy, empowering employees to confidentially report any potential misconduct or improprieties within the Group. This year, Addvalue has diligently reviewed and enhanced its whistle-blowing policy to ensure its effectiveness.

Employees are encouraged to utilise the "Whistle-blower Reporting Form" readily accessible on Addvalue's Intranet, to raise concerns or disclose any irregularities without fear of retaliation. This platform serves as a crucial mechanism for promoting transparency and accountability throughout the Group.

The Group is proud to announce the successful maintenance of its zero-corruption record (FY2024: Nil). This achievement is the result of its diligent efforts, including an annual review conducted under Enterprise Risk Management to assess operational risks related to corruption. During the risk assessment, no significant risks related to corruption were identified, affirming the Group's commitment to upholding the highest ethical standards.

Moving forward, Addvalue remains steadfast in its commitment to sustaining its zero-corruption record. This will be achieved through continued vigilance and by ensuring that employees, governance body members, and business partners are fully aware of its anti-corruption and whistle-blowing policies, and are compliant with all relevant laws and regulations. These efforts are further elaborated below.

Communication to employees

Addvalue maintains a stringent stance against corruption by delivering comprehensive briefings on corporate policies and the repercussions of policy violations, including severe penalties, disciplinary actions, or dismissal, to all newly hired staff, both local and overseas. This initiative has successfully ensured 100% communication of anti-corruption policies to all employees (FY2024: 100%). This commitment will continue, with ongoing efforts to periodically reinforce these policies among all employees, thereby fostering the highest standards of trust in all operations.

Moreover, an annual email reminder is sent to all employees, encouraging them to review important policies such as whistle-blowing policies, the code of business conduct, and anti-corruption policies. These documents are readily accessible on the Group's intranet, ensuring that employees have convenient and continuous access to the Group's ethical guidelines. This proactive approach reinforces awareness, promotes ethical behaviour, and strengthens adherence to the Group's standards of integrity and accountability.

All employees are also required to complete a Conflict of Interest Declaration Form upon joining and must update Human Resources as circumstances change. Since FY2021, employees have been mandated to declare their conflicts of interest annually. This practice ensures that personal interests do not unduly influence decision-making or professional judgment, thus preventing conflicts that could compromise the Group's interests.

Communication to governance body members

All newly appointed Directors will receive comprehensive information regarding Addvalue's anti-corruption policies. They are required to thoroughly review these policies to familiarise themselves with the core principles of fairness, honesty, openness, decency, integrity, and respect. Addvalue expects governance body members to uphold their integrity and act in the best interest of Addvalue on behalf of their stakeholders.

Whistle-blowing reports are regularly communicated to the ARC during quarterly meetings and are also escalated to the Board as appropriate. In FY2025, the Group received one whistle-blowing complaint. However, it was not related to anti-corruption and was deemed inconsequential to the Group's business operations.

The Board remains firmly committed to upholding the highest standards of integrity and corporate governance. All Board members are required to adhere strictly to the Group's Code of Business Conduct and Ethics, which outlines expectations for ethical behaviour and responsible decision-making. The Code is publicly available on Addvalue's corporate website, reinforcing the Group's commitment to transparency and accountability. https://www.addvaluetech.com/code-of-conduct-and-ethics/

GOVERNANCE AND ETHICS TARGETS AND PERFORMANCE

The summary below details the Governance and Ethics Targets and Performance for FY2025 and outlines the FY2026 and perpetual targets.

FY2025 TARGETS	FY2025 PERFORMANCE	FY2026 AND PERPETUAL TARGETS
• Zero incident of non-compliance with SGX-ST listing rules, governmental laws and regulations in environmental, social and economic areas. • Zero reported corruption or significant whistle-blowing report.	• Achieved zero incident of non-compliance with SGX-ST listing rules, governmental laws and regulations in environmental, social and economic areas. • Achieved zero reported corruption or significant whistle-blowing report.	• To have zero incident of non-compliance with SGX-ST listing rules, governmental laws and regulations in environmental, social and economic areas. • To have zero case of corruption or other improprieties.

ENVIRONMENTAL FACTORS

The Group firmly believes that sustainable environmental practices can coexist with corporate growth. Addvalue is committed to aligning its operational practices with international standards and industry best practices for environmental management systems. The Group's objective is to minimise the adverse environmental impact of its business activities by enhancing resource efficiency in daily operations and developing a sustainable supply chain.

As environmental challenges increasingly threaten future sustainability, the imperative for environmental preservation becomes ever more critical for businesses and communities. During FY2025, the Group reported zero instances of non-compliance with environmental laws and regulations (FY2024: Nil), highlighting its strong compliance record. The Group is dedicated to maintaining this record, which aligns with its business strategy and attracts vendors who advocate for high sustainability standards.

By integrating robust environmental practices into its operations, the Group demonstrates its commitment to both corporate growth and environmental stewardship, ensuring that sustainability remains a core component of its corporate identity.

ENVIRONMENTAL FACTORS

SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI 2-23, 2-24, 2-25, 3-3, 308-1, 308-2

Addvalue believes the sustainability of its supply chain is an integral part to the sustainability performance. As part of its supply chain operations, Addvalue recognises the critical role of materials sourcing and is committed to continuously improving and maintaining the quality of materials used for production. The Group took a holistic approach to product development sustainability by ensuring every opportunity is provided to review the types and quantities of materials used and processes applied to the production of its products for commercial purposes.

In this report, the Group defines its suppliers as direct suppliers who provide goods and services that enable us to produce products and services for our customer. The Group's existing suppliers and contract manufacturers are evaluated on their environmental impact through an annual Vendor Evaluation and Qualification procedure to determine whether they meet the minimum requirements. This process aims to ensure that quality is upheld and that suppliers adhere to Addvalue's environmental standards for the products and services they provide. Additionally, as part of the Group's stringent supplier selection process, all new key suppliers are screened for any significant negative environmental and social impacts resulting from their business operations. By assessing their track record in these various aspects, Addvalue ensures that all vendors complement its commitment to delivering high-quality products and services.

The supplier environmental screening criteria that were used to screen both new and existing suppliers consider factors such as their efforts towards recycling, incorporation of environmentally friendly materials, energy conservation, environmental certifications, and their use of toxic or hazardous substance materials. All direct suppliers were screened using environmental criteria. (FY2024: 100%).

Based on the supplier assessment, 26 out of 28 suppliers (representing 93% of its suppliers) have successfully passed the supplier environmental assessment, demonstrating their ongoing commitment to sustainable practices (FY2024: 94%). The suppliers that passed the assessment have adopted various sustainability practices. These include using recycled paper, implementing formal waste management procedures to ensure proper disposal and recycling of paper waste, and introducing energy conservation measures. In addition, they are actively seeking to incorporate environmentally friendly materials into their operations and are committed to reducing emissions by avoiding the use of toxic or hazardous substances. The Group remains committed to evaluating its suppliers' environmental practices to mitigate adverse environmental impacts in FY2025.

Moreover, 16 suppliers (representing 57% of its suppliers) have attained industry-recognised certifications such as ISO 14001, reaffirming their commitment to environmental responsibility and regulatory compliance. However, the Group has identified 2 suppliers (representing 7% of its suppliers) whose manufacturing met just 29% of the environmental assessment criteria, these gaps highlight the need for closer engagement and corrective action. In response, the Group is committed to engaging continuously with the supplier to address identified gaps and collaboratively work towards aligning with its environmental standards. This process will involve providing support and guidance, as well as regular monitoring and evaluation of progress. Additionally, the Group will explore alternative sourcing options and diversify its supplier base to mitigate potential risks associated with non-compliance.

Despite these challenges, no relationships were terminated as a result of environmental impacts identified through assessment. Addvalue believes in the power of collaboration and continuous improvement. Instead of severing ties, the Group views such instances as opportunities for constructive dialogue and partnership enhancement. Through open and honest communication and mutual understanding, the Group aims to facilitate positive change and promote responsible business practices within its supply chain ecosystem.

ENVIRONMENTAL FACTORS TARGETS AND PERFORMANCE

The summary below details the Environmental Targets and Performance for FY2025 and outlines the FY2026 and perpetual targets.

FY2025 Targets	FY2025 PERFORMANCE	FY2026 AND PERPETUAL TARGETS
• Screen 100% of direct suppliers using the environmental criteria. • Achieve a minimum compliance rate of 90% for suppliers passing the environmental assessment. • Assess and evaluate all existing vendors and contract manufacturers through the Group's annual Vendor evaluation and Qualification procedure.	• Achieved 100% of screening for all direct suppliers using the environmental criteria. • 93% of suppliers successfully passed the environmental assessment. • Assessed and evaluated existing vendors and contract manufacturers through the Group's annual Vendor evaluation and Qualification procedure.	• To screen 100% of direct suppliers using environmental criteria. • To achieve a minimum compliance rate of 90% for suppliers passing the environmental assessment. • To assess and evaluate existing vendors and contract manufacturers through the Group's annual Vendor evaluation and Qualification procedure.

SOCIAL FACTORS

GRI 2-23, 2-24

As a technology developer and innovator, the Group places significant importance on the capabilities, resourcefulness, experience, skills, and know-how of its workforce. Addvalue recognises that its employees are pivotal to its business success and consider them its most valuable asset. In line with its sustainability objectives, the Group is also committed to supporting the social well-being and development of the communities in which it operates, placing particular focus on fostering sustainable, inclusive, and fair labour practices for all employees.

The Group's sustainable labour practices include providing equal opportunities, enforcing a non-discrimination policy, fostering effective communication between management and employees, promoting work-life balance, and addressing occupational health and safety hazards. The Group is committed to cultivating a diverse and inclusive culture where all employees are welcomed and treated fairly. These policies are designed to support employees in achieving a balanced work life while maintaining a positive attitude that drives continuous improvement in their work, interactions with customers, and engagement with the Group's broader stakeholder community.

DIVERSITY AND EQUAL OPPORTUNITY

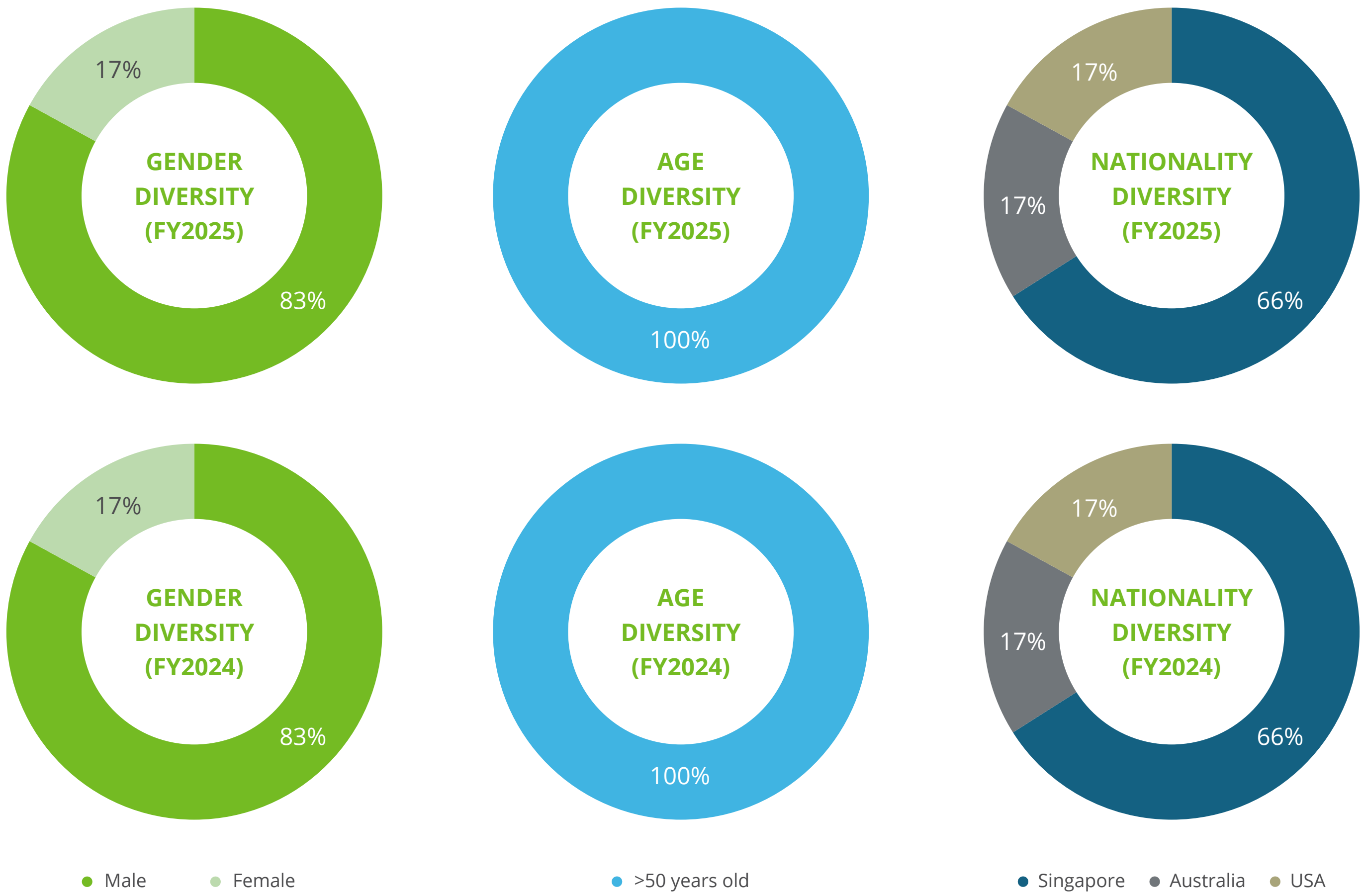
GRI 2-7, 3-3, 405-1

The Group is committed to respecting and valuing diversity across various dimensions, including race, culture, religion, gender identity, sexual orientation, nationality, disability, age, and more. Addvalue's equal opportunity practices are essential for fostering an open-minded, productive, and creative community, which is crucial for the Group's growth and sustainability. The Group strives to create an inclusive and equitable working environment by providing equal opportunities and adopting merit-based practices in recruitment, selection, and promotion. It is paramount to the Group that all employees, regardless of gender, age, background, or any other characteristics, feel valued and are able to contribute their unique strengths, experiences, and potential to the Group.

Moreover, the Group places a high value on inclusiveness not only among its employees but also in its board composition. The Group's Board Diversity Policy emphasises that diversity at the Board level is crucial for achieving its strategic objectives. All Board appointments are made based on merit, considering the skills, experience, independence, and knowledge that each director can bring, without compromising the Board's diversity. Additionally, the data presented in this section was sourced from payroll records and strictly adhered to data protection and privacy regulations to safeguard the confidentiality of employee information.

To ensure diversity in skills, experience, and industry expertise, the Board's target is to maintain a mix of core competencies. This includes having at least one Director with the necessary skills, experience, and industry expertise, and one Director with accounting and finance-related knowledge. Currently, the Board meets its skill diversity target where a diverse range of skills, experiences, and knowledge, which stimulates constructive debate and enhances the Group's strategic direction. For more details on the Directors' skills and experiences, please refer to the Statement of Corporate Governance in the Group's Annual Report 2025 page 50 to 74. Additionally, the Board also meets its gender diversity target, comprising five male directors and one female director, aligning with its goal to have at least one female director. The diversity of governance bodies by gender, age and nationality is depicted below.

Diversity of governance bodies



As of FY2025, the Group's total workforce comprised 74 full-time employees, marking a slight increase from 70 in FY2024. This growth reflects the Group's steady business development and continued investment in human capital. All employees hold permanent positions, with none engaged on a temporary or part-time basis, underscoring the Group's commitment to providing stable and long-term employment.

The Group's workforce is composed of individuals from diverse national backgrounds, including Singapore, China, the Philippines, India, and Malaysia. This multicultural composition, as shown in the table below, enriches the Group's organisational culture and enhances collaboration through a broad range of perspectives and experiences.

In terms of gender distribution, the workforce was 70% male and 30% female in FY2025, compared to 67% male and 33% female in the previous year. The increase in male representation is primarily attributed to the hiring of additional technical staff to support business needs. Production and technical teams remain predominantly male due to the nature of the work, whereas administrative roles continue to feature a higher proportion of female employees. The Group remains committed to improving gender representation across all functions where feasible.

In addition, the employee turnover rate in FY2025 stood at 15%, aligning with the Group's strategic target to keep turnover at a sustainable level. This demonstrates the Group's ongoing commitment to employee retention and creating a stable, supportive work environment.

The Group is committed to fostering a diverse and inclusive workforce. The diversity of its employees in terms of gender, age, and nationality across various levels and functions is presented below.

Diversity of employees by level

Gender	Senior Management		Middle Management		Staff	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Male	85%	100%	80%	76%	65%	59%
Female	15%	-	20%	24%	35%	41%

Age	Senior Management		Middle Management		Staff	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
<30 years old	-	-	-	-	22%	20%
30-50 years old	23%	29%	30%	35%	51%	60%
>50 years old	77%	71%	70%	65%	27%	20%

Nationality	Senior Management		Middle Management		Staff	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Singapore	92%	86%	60%	82%	53%	55%
China	-	-	-	6%	8%	9%
Philippines	-	-	-	-	2%	4%
Myanmar	-	-	-	-	-	2%
India	-	-	10%	6%	4%	4%
Malaysia	8%	14%	30%	6%	33%	26%

Diversity of employees by function

Gender	Administrative Staff		Production Staff		Technical Staff	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Male	38%	50%	86%	90%	72%	61%
Female	62%	50%	14%	10%	28%	39%

Age	Administrative Staff		Production Staff		Technical Staff	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
<30 years old	-	-	19%	25%	22%	11%
30-50 years old	31%	42%	43%	45%	51%	58%
>50 years old	69%	58%	38%	30%	27%	31%

Nationality	Administrative Staff		Production Staff		Technical Staff	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Singapore	77%	75%	43%	40%	65%	74%
China	-	-	10%	10%	5%	8%
Philippines	-	-	-	5%	3%	3%
Myanmar	-	8%	-	-	-	-
India	-	-	5%	5%	5%	5%
Malaysia	23%	17%	42%	40%	22%	10%

TRAINING AND CAREER DEVELOPMENT

GRI 3-3, 404-1, 404-2, 404-3

Addvalue firmly believes that its people are its greatest assets. To adapt to the rapid changes in the environment and navigate the waves of technological advancements smoothly, it is crucial to ensure that employees stay abreast of technology trends and are well-equipped with the necessary skills and knowledge. To ensure continuous skill development, the Group offers extensive in-house training on product and technology proficiency, while also sponsoring relevant employees to attend external courses for further professional growth.

The professional courses encompass a broad spectrum of skills, including technical expertise such as design technologies and aviation product design, as well as business skills such as corporate branding and strategic training. Trainees are encouraged to conduct sharing sessions with their team members to disseminate the knowledge and insights gained, thereby boosting productivity and performance at both individual and organisational levels.

Addvalue places a strong emphasis on in-house training for newer employees, focusing on product knowledge and on-the-job training. Internal training sessions include, but are not limited to, Printed Circuit Boards Assembly ("**PCBA**") Process, Box Build, and Process Flows. Overall, more training sessions have been provided to all employees across the Group, with a particular emphasis on skill-based training for Production and Technical staff. This approach aims to enhance their competency and capability, improve work efficiency, and ensure the high quality of its products.

By fostering a culture of continuous learning and development, Addvalue ensures that its workforce remains innovative, competent, and capable of meeting the evolving demands of the industry. This commitment to employee development not only supports individual growth but also drives the overall success and competitiveness of the Group.

Moreover, as part of the Group's ongoing efforts to enhance the knowledge of its Directors on sustainability reporting and to meet the requirements of listing rule 720(7) of SGX-ST, the Group confirms that all Directors have completed the approved sustainability training course, ESG Essentials, offered by the Singapore Institute of Directors.

In FY2025, the average training hours per employee at Addvalue rose significantly to 64 hours, compared to 39 hours in FY2024, an increase of approximately 25 hours or 64%. The increase was primarily driven by the implementation of a new ERP system, which required more staff across various functions to undergo the relevant trainings. This substantial growth underscores the Group's strong commitment to employee development and continuous learning. Looking ahead, Addvalue aims to sustain an average of 20 training hours per employee annually over the short and long term, reinforcing its dedication to workforce upskilling and professional growth. All training programmes are structured in accordance with ISO standards, ensuring a high level of quality, consistency, and relevance. A detailed breakdown of average training hours by employee category is provided below.

	FY2025	FY2024
Average training hours by Gender		
Male	80.30 Hours	47.90 Hours
Female	24.90 Hours	22.90 Hours
Average training hours by Employee Level		
Senior Management	12.80 Hours	2.00 Hours
Middle Management	63.90 Hours	33.90 Hours
Staff	76.80 Hours	47.50 Hours
Average training hours by Employee Function		
Administrative	68.70 Hours	2.30 Hours
Production	40.60 Hours	47.90 Hours
Technical	74.50 Hours	47.10 Hours

The Group also conducts regular performance reviews to recognise employees' achievements, assess their training needs, and set personal targets for the next review period. This strategy is designed to maximise their potential and foster continuous personal development. By aligning individual goals with organisational objectives, Addvalue enhances employee satisfaction, which, in turn, drives improved organisational performance. In FY2025, all employees received their annual performance and career development reviews (FY2024: 100%). These reviews are a cornerstone of the Group's commitment to fostering employee growth.

The Group is dedicated to continuing this practice in the future, reaffirming its commitment to regular career development reviews for all employees. This ongoing process not only facilitates personal development but also bolsters the overall performance and success of the Group.

SUPPLIER SOCIAL ASSESSMENT

GRI 3-3, 414-1, 414-2

As a responsible and forward-looking business, the Group embeds sustainable and socially responsible practices into its supply chain management. It is dedicated to delivering products and services that respect human rights, protect the environment, and promote safe and equitable conditions across supply chain. Therefore, social considerations are integral to the supplier selection process.

In FY2025, we ensured compliance by screening 100% of direct suppliers using these social criteria. This comprehensive screening process enables the Group to effectively identify and mitigate any potential negative social impacts early in the procurement process.

Moreover, Addvalue has conducted a supplier social assessment involving 28 of its suppliers. Of these, all suppliers successfully met the Group's social criteria, (FY2024: 100%). the Group achieved its internal passing rate target set in the prior year.

Suppliers who passed the assessment demonstrated strong commitments to ethical labour practices. These include providing a safe and healthy work environment, offering training and career development opportunities, supporting work-life balance, prohibiting child labour, and ensuring compliance with all applicable labour laws.

PRODUCT RESPONSIBILITY

GRI 3-3, 416-1, 416-2

The Group's vision is to be widely recognised as a world-leading player in the global mobile satellite service ("**MSS**") sector of the satellite communications industry. While the Group has successfully adopted new technological advancements for product development, it is also intensifying its efforts to ensure product safety and reliability. During the Design and Development Phase, Addvalue's experienced engineers develop and maintain comprehensive test plans based on specific product requirements. These tests include Regulatory Compliance and Product Reliability assessments. The resulting test reports are reviewed by the design team to address any issues before proceeding to mass production and commercialisation.

With these test plans in place, the Group aims to verify and evaluate the performance, stability, functionality, and reliability of its products and services. Addvalue's products are certified for compliance with relevant industrial and regulatory standards. The health and safety of its customers, along with their overall experience, are of utmost importance to Addvalue. The Group's products and services undergo regular assessments to ensure they meet Regulatory Compliance and Country Type Approval requirements. This may include certifications such as CE, FCC, IC, and Safety (IEC 60950) regulations. The Group's engineers conduct regular reliability and quality inspections to identify areas for continuous improvement.

This year, there have been no incidents of non-compliance with any regulations or voluntary codes pertaining to the health and safety impacts of its products (FY2024: Nil).

SOCIAL FACTORS TARGETS AND PERFORMANCE

The summary below details the Social Factors Targets and Performance for FY2025 and outlines the FY2026 and perpetual targets.

FY2025 Targets	FY2025 Performance	FY2026 and Perpetual Targets
To achieve gender diversity of male-to-female ratio of 65:35.	Achieved gender diversity of male-to-female ratio of 70:30. There was a slight deviation from the male-to-female ratio target; nevertheless, the Group remains steadfastly committed to achieving its goal in the upcoming year.	To achieve gender diversity male to female ratio of 65:35.
Achieve an average of 20 training hours per year for each employee.	Achieved an average of 64 training hours per year for each employee.	To achieve an average of 20 training hours per year for each employee.
Maintain regular performance reviews and achieve 100% participation rate for all eligible employees.	Maintained regular performance reviews and achieved 100% participation rate for all eligible employees.	To maintain regular performance reviews and achieve 100% participation rate for all eligible employees.
Screen 100% of direct suppliers using the social criteria.	Achieved 100% of screening for all direct suppliers using the social criteria.	To screen 100% of direct suppliers using social criteria.
Achieve a minimum compliance rate of 90% for suppliers passing the social assessment.	100% of suppliers successfully passed the social assessment.	To achieve a minimum compliance rate of 90% for suppliers passing the social assessment.
Achieve no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period.	Achieved no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period.	To achieve no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period.

TASK FORCE ON CLIMATE-RELATED DISCLOSURES

Key Area	Addvalue's Approach
Governance	The Board oversees the management and monitoring of the Sustainability Factors and considers climate-related issues in determining the Group's strategic directions and policies. The Group's sustainability strategy is developed and directed by the Task Force in consultation with the ARC and the Board. The responsibilities of the Task Force include considering climate-related issues in the development of sustainability strategy, target setting, as well as collection, monitoring and reporting of performance data.
Strategy	The Group is in the process of identifying the actual and potential impacts of climate-related risks and opportunities on the business, strategy, and financial planning.
Risk Management	The Group is in the process of assessing the climate-related risk and opportunities, which will subsequently be included in the enterprise risk management framework.
Metrics and Targets	As of FY2025, Scope 3 emissions have become more relevant to Addvalue than Scope 1 and Scope 2 emissions, due to the nature of its operations in technology product development and digital connectivity solutions. To prepare for upcoming regulatory requirements, Addvalue is actively working to identify, evaluate, and establish systems to track and measure Scope 3 emissions accurately. With IFRS S2 climate-related disclosures becoming mandatory in the next reporting period, the Group is committed to transparently reporting climate-related metrics and targets in future Sustainability Reports.

SGX-ST PRIMARY COMPONENTS INDEX

S/N	Primary Component	Section Reference
1	Material ESG Factors	The Group's Sustainability Approach and Strategy
2	Climate-related Disclosures	Task Force on Climate-related Financial Disclosures
3	Policies, Practices and Performance	• Sustainability Board's Statement • Governance and Ethics Factors • Economic Factors • Environmental Factors • Social Factors
4	Targets	• Governance and Ethics Factors • Economic Factors • Environmental Factors • Social Factors
5	Sustainability Reporting Framework	About This Report
6	Board Statement and Governance Structure	• Governance and Ethics Factors • Corporate Governance Report in AR FY2025 Page 50 to 74

GRI CONTENT INDEX

Statement of use: Addvalue Technologies Ltd has reported the information cited in the GRI content index for the period from 1 April 2024 to 31 March 2025 with reference to the GRI Standards
GRI 1 used: GRI 1: Foundation 2021

Disclosure Number	Disclosure Title	Comments	Page References	Section References
GRI 2: General Disclosure 2021				
2-1	Organisational details	-	22	About This Report
2-2	Entities included in the organisation's sustainability reporting	-	22 18	• About This Report • AR FY2025
2-3	Reporting period, frequency and contact point	Annual	22-23	About This Report
2-5	External assurance	No external assurance	23	About This Report
2-6	Activities, value chain and other business relationships	-	23 1-3	• About This Report • AR FY2025
2-7	Employees	-	36-39	Social Factors
2-9	Governance structure and composition	-	29 50-74	• Governance and Ethics • Corporate Governance Report in AR FY2025
2-10	Nomination and selection of the highest governance body	-	50-74	Corporate Governance Report in AR FY2025
2-11	Chair of the highest governance body	-	50-74	Corporate Governance Report in AR FY2025
2-12	Role of the highest governance body in overseeing the management of impacts	-	30 50-74	• Governance and Ethics Factors • Corporate Governance Report in AR FY2025
2-13	Delegation of responsibility for managing impacts	-	30 50-74	• Governance and Ethics Factors • Corporate Governance Report in AR FY2025
2-14	Role of the highest governance body in sustainability reporting	-	30 50-74	• Governance and Ethics Factors • Corporate Governance Report in AR FY2025
2-15	Conflicts of interest	-	31	Governance and Ethics Factors
2-16	Communication of critical concerns	-	29	Governance and Ethics Factors
2-17	Collective knowledge of the highest governance body	-	50-74	Corporate Governance Report in AR FY2025
2-18	Evaluation of the performance of the highest governance body	-	50-74	Corporate Governance Report in AR FY2025

Disclosure Number	Disclosure Title	Comments	Page References	Section References
2-19	Remuneration policies	-	50-74	Corporate Governance Report in AR FY2025
2-20	Process to determine remuneration	-	50-74	Corporate Governance Report in AR FY2025
2-21	Annual total compensation ratio	-	50-74	Corporate Governance Report in AR FY2025
2-22	Statement on sustainable development strategy	-	20 24-28	• Sustainability Board's Statement • The Group's Sustainability Approach and Strategy
2-23	Policy commitments	-	29-32 36 33-35 50-74	• Governance and Ethics Factors • Social Factors • Environment Factors • Corporate Governance Report in AR FY2025
2-24	Embedding policy commitments	-	29-32 36-37 33-35 50-74	• Governance and Ethics Factors • Social Factors • Environment Factors • Corporate Governance Report in AR FY2025
2-25	Processes to remediate negative impacts	-	33-35	Environment Factors
2-26	Mechanisms for seeking advice and raising concerns	-	30	Governance and Ethics Factors
2-29	Approach to stakeholder engagement	-	26	The Group's Sustainability Approach and Strategy
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	-	27	The Group's Sustainability Approach and Strategy
3-2	List of material topics	-	28	The Group's Sustainability Approach and Strategy
3-3	Management of material topics	-	29-42	• Governance and Ethics Factors • Social Factors • Environment Factors

Disclosure Number	Disclosure Title	Comments	Page References	Section References
GRI 205: Anti-corruption				
3-3	Management of material topics	-	31-32	Governance and Ethics Factors
205-1	Operations assessed for risks related to corruption	-	31-32	Governance and Ethics Factors
205-2	Communication and training about anti-corruption policies and procedures	-	31-32	Governance and Ethics Factors
205-3	Confirmed incidents of corruption and actions taken	-	31-32	Governance and Ethics Factors
GRI 308: Supplier environmental assessment				
3-3	Management of material topics	-	33-34	Environmental Factors
308-1	New suppliers that were screened using environmental criteria	-	33-34	Environmental Factors
308-2	Negative environmental impacts in the supply chain and actions taken	-	33-34	Environmental Factors
GRI 404: Training and education				
3-3	Management of material topics	-	40	Social Factors
404-1	Average hours of training per year per employee	-	40	Social Factors
404-2	Programs for upgrading employee skills and transition assistance programs		40	Social Factors
404-3	Percentage of employees receiving regular performance and career development reviews	-	40	Social Factors
GRI 405: Diversity and equal opportunity				
3-3	Management of material topics	-	37-39	Social Factors
405-1	Diversity of governance bodies and employees	-	37-39	Social Factors
GRI 414: Supplier social assessment				
3-3	Management of material topics	-	41	Social Factors
414-1	New suppliers that were screened using social criteria	-	41	Social Factors
414-2	Negative social impacts in the supply chain and actions taken	-	41	Social Factors
GRI 416: Customer health and safety				
3-3	Management of material topics	-	41	Social Factors
416-1	Assessment of the health and safety impacts of product and service categories	-	41	Social Factors
416-2	Incidents of non-compliance concerning the health and safety impacts of products and service	-	41	Social Factors

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Richard J Denny
Independent and Non-Executive Chairman

Mr Tan Khai Pang
Chief Executive Officer

Ms Goh Liang Choo
Independent and Non-Executive Director

Mr Paul C Burke
Non Independent and Non-Executive Director

Mr Chua Chwee Koh
Non Independent and Non-Executive Director

AUDIT AND RISK COMMITTEE

Ms Goh Liang Choo *(Chairman)*
Mr Richard J Denny
Mr Chua Chwee Koh

NOMINATING AND REMUNERATION COMMITTEE

Mr Richard J Denny *(Chairman)*
Ms Goh Liang Choo
Mr Paul C Burke

BOARD EXCO COMMITTEE

Mr Chua Chwee Koh *(Chairman)*
Mr Tan Khai Pang

COMPANY SECRETARY

Mr Wong Tat Yang

REGISTERED OFFICE

202 Bedok South Ave 1
#01-11, Singapore 469332
Tel: +65 6509 5700
Fax: +65 6509 5701

REGISTRAR

KCK CorpServe Pte Ltd
1 Raffles Place #04-63
One Raffles Place
Singapore 048616
T + 65 6430 8211/17
F + 65 6339 0218

AUDITORS

Forvis Mazars LLP
135 Cecil Street
#10-01
Singapore 069536
Partner-in-charge: Mr Wong Zi En
Date of Appointment: From FY2024

COMPANY REGISTRATION NUMBER

199603037H

CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of the Addvalue Technologies Ltd (the "**Company**") is committed to ensure that high standards of corporate governance and transparency are practiced for the protection of the interests of the shareholders of the Company (the "**Shareholders**").

This report sets out the Company's corporate governance practices for the financial year ended 31 March 2025. It outlines the Company's corporate governance processes with specific reference to the Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore on 6 August 2018. The Board is pleased to inform that the Company is substantially in compliance with the principles and provisions of the Code. In areas where the Company deviates from the Code, the rationale is provided.

BOARD MATTERS

BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1:
The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Directors of the Company are:

Mr Richard J Denny	Chairman and Independent Director
Mr Tan Khai Pang	Executive Director and Chief Executive Officer ("**CEO**")
Ms Goh Liang Choo	Non-Executive and Independent Director
Mr Paul C Burke	Non-Executive and Non-Independent Director
Mr Chua Chwee Koh	Non-Executive and Non-Independent Director

PROVISION 1.1
BOARD'S ROLE

All Directors recognise and will objectively discharge their duties and responsibilities at all times as fiduciaries in the interest of the Company. The Board puts in place a code of conduct and ethics, sets an appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board, comprising one executive Director ("**Executive Director**"), two non-executive and independent Directors (collectively, the "**Independent Directors**", and each an "**Independent Director**") and two non-executive and non-independent Directors (collectively, the "**Non-Executive Directors**", and each an "**Non-Executive Director**"), is responsible for protecting and enhancing long-term value of the Shareholders. It provides directions and guidance to the overall management (the "**Management**") of the Company and its subsidiaries (the "**Group**").

The primary role of the Board includes the following:

- Steering, setting and approving policies and strategic objectives of the Group
- Ensuring that the necessary resources are in place for the Group to meet its strategic objectives
- Reviewing and approving the financial performance of the Group, including its half and full year financial results' announcements
- Ensuring that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets; to achieve an appropriate balance between risks and company performance; and to ensure transparency and accountability to key stakeholder groups
- Instilling an ethical corporate culture and ensuring that the values, standards, policies and practices of the Group are consistent with its culture

PROVISION 1.2
DIRECTORS' DUTIES AND RESPONSIBILITIES

The Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group.

The Company has in place a process of induction, training and development for both new and existing Directors.

Newly appointed Directors will be given an orientation program to familiarize themselves with the Group's operation. The experience and competency of each Director contribute to the overall effective management of the Group. Incoming Directors joining the Board will be given briefing by the Management, the CEO and, where appropriate, the Company's legal advisers, on their duties and obligations as director, and on the Group's organization structure, business and governance practice and arrangements, including the Company's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive and trade-sensitive information.

During the financial year reported on, the Directors had received updates on regulatory changes to the listing rules of the SGX-ST (the "**Listing Rules**"), the accounting standards and the Code. The Chairman updated the Board at each Board meeting on business and strategic developments and also highlights the salient issues as well as the risk management considerations for the Group. The Directors were also updated by the external auditor and/or the Company Secretary during Board meetings and by circulations the changes and development in accounting standards and/or regulatory changes to the Listing Rules and the Code. Information on training programmes, courses, conferences, seminars and workshops relevant to their discharge of director's duties were circulated to the Directors on a regular basis, of which some were attended or participated by the Directors during the year.

CORPORATE GOVERNANCE REPORT

PROVISION 1.3
MATTERS REQUIRING BOARD APPROVAL

The Board has adopted internal guidelines governing matters reserved for the Board's approval, which include the following:

- Review the performance of the Group, including approval of the results announcements and annual budget 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 an interested person
- Material acquisition and/or disposal
- Corporate or financial restructuring
- Declaration of dividends and other returns to Shareholders
- Appointment of new Directors and re-appointment of Directors

PROVISION 1.4
DELEGATION OF AUTHORITY TO BOARD COMMITTEES

To facilitate effective management, certain roles have been delegated to various Board members by the establishment of an Audit and Risk Committee ("**ARC**"), a Nominating and Remuneration Committee ("**NRC**") and a Board Exco Committee ("**Board Exco**"). These committees (collectively the "**Committees**", and each a "**Committee**") function within clearly defined terms of reference which are reviewed on a regular basis.

BOARD EXCO COMMITTEE ("**BOARD EXCO**")

The Board Exco is made up of one Non-Executive Non-Independent Director, Mr Chua Chwee Koh, who is the Chairman of Board Exco and one Executive Director namely, Mr Tan Khai Pang, who is the Chief Executive Officer ("**CEO**"). The Board Exco oversees the management of the business and affairs of the Group and its duties and responsibilities include the following:

1. Review and recommend for adoption by the Board, annual budgets and long-term business plans to achieve the objectives of the Company
2. Provide guidance to management at all stages of the strategic planning process
3. Review the monthly and year-to-date financial results and forecast and determine whether corrective action is necessary to be taken by management
4. Review and recommend mergers and acquisitions, disposals of businesses, and investments to the Board
5. Operate within authorization limits approved by the Board
6. Supervise digitalisation and cybersecurity of the Company

Other than the Board Exco, the following Board Committees, which are made up of Independent Directors or a majority of Independent Directors, provide further safeguards to prevent an uneven concentration of power, authority and decision in a single individual:

1. Audit and Risk Committee ("**ARC**")

2. Nominating and Remuneration Committee ("**NRC**")

The effectiveness of each Committee is also closely monitored. The names of the Committee members, the terms of reference, any delegation of the Board's authority to make decisions and each Committee's activities, are disclosed in this report under Principles 4 to 10 thereof.

The Board and the various committees, as at the date of this report, comprise the following members:

Name of Director	Board membership	ARC	NRC	Board Exco
Mr Richard J Denny	Chairman and Independent Director	Member	Chairman	–
Mr Tan Khai Pang	Executive Director and CEO	–	–	Member
Ms Goh Liang Choo	Independent Director	Chairman	Member	–
Mr Paul C Burke	Non-Executive Director	–	Member	–
Mr Chua Chwee Koh	Non-Executive Director	Member	–	Chairman

PROVISION 1.5
MEETINGS OF BOARD AND BOARD COMMITTEES

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 Regulation 110(4) of the Company's Constitution. 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. The Board ensures that the Director, with other listed board representations, if any, gives sufficient time and attention to the affairs of the Group.

During the financial year reported on, the Company convened 6 Board meetings, 4 ARC meetings, 2 NRC meetings, and 22 Board Exco meetings.

Besides formal meetings, Board members also met at informal meetings or via teleconferencing or communicate via emails to discuss specific issues related to the Company's development.

While the Board considers Directors' attendance at Board meetings to be important, it does not consider that to be the only criterion to measure their contributions. Other than participating in these meetings, Board members also rendered guidance and advice on various matters relating to the Group and convened discussions when needed. The Board ensures that Directors give sufficient time and attention to the affairs of the Group.

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

Director	Board	ARC	NRC	Board Exco
Number of meetings held	6	4	2	22
Name of Directors	**Number of meetings attended**			
Mr Richard J Denny	6	4	2	1[1]
Mr Tan Khai Pang	6	4[1]	2[1]	22
Ms Goh Liang Choo	6	4	2	N/A
Mr Paul C Burke	5	N/A	2	N/A
Mr Chua Chwee Koh	6	4	N/A	22

1 Director attended by invitation
N/A Not applicable, as the Directors are non-members of the Board committees during FY2025.

PROVISION 1.6
BOARD'S ACCESS TO INFORMATION

The Management of the Company provides the Board with balanced and understandable accounts of the Group's performance, financial position and business prospects on a regular basis. They also specify major issues that are relevant to the Group's performance. Periodic financial summary reports, budgets, forecasts and other disclosure documents are provided to the Board, where appropriate, prior to Board meetings.

PROVISION 1.7
BOARD'S ACCESS TO MANAGEMENT, COMPANY SECRETARY AND EXTERNAL ADVISERS

The Board has separate and independent access to the Company Secretary and the Management. The Company Secretary and/or its representative are 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. The appointment and removal of the Company Secretary is subject to the approval of the Board.

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. The costs of such advice would be borne by the Company.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

PROVISION 2.1
INDEPENDENT ELEMENT ON THE BOARD

The Board comprises five members, two of whom, namely Mr Richard J Denny and Ms Goh Liang Choo are Independent Directors. The remaining three comprise two Non-Executive directors coupled with one executive director who holds the appointment of CEO.

The criterion for independence is based on the definition given in the Code and in the Listing Rules. The Code has defined an "independent" director as one who is independent in conduct, character and judgement and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the company. Under the Listing Rules, an independent director is not one who is or has been employed by the company or any of its related corporations for the current or any of the past three financial years; or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the company or any of its related corporations and whose remuneration is determined by the remuneration committee.

All the Independent Directors of the Company have confirmed their independence and that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgement pursuant to the Listing Rules. None of the independent Directors have served on Board for more than nine years from the date of their respective appointments.

PROVISIONS 2.2 AND 2.3
COMPOSITION OF INDEPENDENT DIRECTORS AND NON-EXECUTIVE DIRECTORS ON THE BOARD

Under Rule 210(5)(c) of the Listing Rules, the Board must have at least two Non-executive Directors who are independent that should make up at least one-third of the board. In the event of any retirement or resignation which renders the issuer unable to meet any of the foregoing requirements, the Company should endeavour to fill the vacancy within two months, but in any case, not later than three months. The current composition of our Board complies with the Listing Rules.

The Chairman is an Independent Director and the requirement under Provision 2.2 of the Code, for the independent directors to make up a majority of the board where the chairman is not an independent director does not apply Under Provision 2.3 of the Code, the non-executive directors should make up a majority of the board.

The Board comprises four Non-Executive Directors (two of whom are Independent Directors) which complies with Provision 2.3 of the Code.

Consequently, the composition of the Board comprises five directors, namely two Independent Directors, two Non-Executive Directors and one Executive Director. The composition provides a good balance of authority and power within the Board. In addition, each of the NRC, and ARC, which assists the Board in its functions, is chaired by an Independent Director and with a majority being Independent Directors. For the Board Exco which is chaired by a Non-Executive Director with the Executive Director as member, all decisions have to be unanimous, otherwise, the matter will be referred to the Board for approval. Hence, the Board is of the view that there is a strong independence element within the Board which is consistent with Principle 2 of the Code.

PROVISION 2.4
BOARD SIZE AND DIVERSITY

The composition of the Board is reviewed on an annual basis by the NRC. The NRC 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.

The Board has in place a Board Diversity Policy to ensure that the Board has an appropriate level of diversity of thoughts and backgrounds to enable wider perspectives which encourage more effective discussions, better decision-making and governance of the Company and its businesses. The Board members collectively have the necessary skills and competencies, covering business and management experience, industry knowledge and strategic planning skills, for the effective functioning of the Board and informed decision-making.

Annually the NRC reviews and assesses the Board composition, and recommends the appointment of new directors, where applicable. For new and continuing appointments, the NRC will consider factors such as skills, experience, age, gender, educational and professional background, tenure of service and other relevant personal attributes that are important and needed to support good decision making at the Board level. As gender is an important aspect of diversity, the NRC will strive to ensure that the search for candidates for Board appointments will include female candidates that meet the set requirements for a new candidate, if the opportunity arises.

The NRC with the Board's concurrence has set the following targets to enhance Board diversity:

Skills and experience diversity

For skill, experience and industry expertise diversity, the Board's target to have a mix of core competencies as set out above with a minimum of one (1) Director with the necessary skill, experience and industry expertise knowledge and one (1) Director with accounting and finance related knowledge. Currently it has met its skill diversity target with the current Directors. The skill and experience diversity target was met in FY2025.

The current Board composition has met its skill diversity as follows:

Core competencies	Directors	No. of Directors	Percentage of Board
Accounting and/or Finance	Ms Goh Liang Choo Mr Chua Chwee Koh	2	40%
Business Management	All Board of Directors	5	100%
Audit, Risk and/ or Governance	All Board of Directors	5	100%
Relevant industry knowledge or experience space and satellite sector	Mr Tan Khai Pang Mr Richard J Denny	2	40%
Entrepreneurship	Mr Tan Khai Pang Mr Paul C Burke	2	40%

Mr Tan Khai Pang, one of the co-founders of the Company, has more than 30 years of experience in the business. Mr Richard J Denny, with over 40 years of experience in the space and satellite sector, held a range of positions spanning across the technical and operational functions of Inmarsat plc ("**Inmarsat**") and was responsible for Inmarsat's fleet of satellites, network operations activities, satellite gateways, spectrum regulatory and spectrum management activities as well as satellite navigation services. Mr Paul C Burke is an entrepreneur with over 25 years of experience in the aviation industry and product design and manufacturing for the e-mobility market. Mr Chua Chwee Koh has 22 years of experience in Singapore Armed Forces and subsequently spent another 17 years with Certis CISCO in leading and transforming its business operations. Hence, he has exposure and experience, in board matters including business transformation, financial management and risk management. Ms Goh Liang Choo brings with her more than 30 years of management and international experience with her career in Shell, UBS Warburg (London), General Electric Company (USA) and Ernst and Young Singapore on roles encompassing financial management, board governance, acquisitions and business integrations, external audit, process and business transformation. In addition, Ms Goh being a Chartered Accountant will not only strengthen the Board but also improve the Board's independence and add gender diversity to enhance corporate governance.

The 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 particular Mr Denny and Mr Burke, with their backgrounds and experience, bring with them wide perspectives which encourage more effective discussions and better decision-making, and Ms Goh and Mr Chua bring with them their financial management experience.

GENDER DIVERSITY

The current Board comprises four (4) male directors and one (1) female director. The Board has set target to have at least one (1) female director. Currently it has met its gender diversity target.

The details of the Directors' background and experience are set out in the "Board of Directors" section of this Annual Report.

PROVISION 2.5
ROLE OF NON-EXECUTIVE DIRECTORS

During the financial year reported on, the Non-Executive Directors constructively challenge and help develop both the Group's short-term and long-term business strategies. Management's progress and performance in implementing such agreed business strategies are monitored by the Non-Executive Directors. The Non-Executive Directors communicate among themselves without the presence of the Management as and when the need arises. The Non-Executive Directors provides feedback to the Chairman or the Board as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the board and management, and no one individual has unfettered powers of decision-making.

PROVISIONS 3.1 AND 3.2
SEPARATE ROLES OF CHAIRMAN AND CEO

The Chairman and the Chief Executive Officer ("**CEO**") of the Company are separate persons. Mr. Richard J Denny is the Independent Director and Chairman while Mr. Tan Khai Pang is the CEO. This ensures that there is an appropriate balance of power between the Chairman of the Board and the CEO, thereby allowing increased accountability and greater capacity of the Board for independent decision making.

As Chairman, Mr Richard J Denny's responsibilities include:

- leading the Board in its role;
- scheduling meetings (with assistance from the Company Secretary) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- preparing meeting agenda;
- reviewing all if not most Board papers before they are presented to the Board;
- ensuring effective communication with Shareholders;
- promoting corporate governance; and
- adherence to the Listing Rules and other regulatory requirements.

Mr. Richard J Denny, the Independent Director and Chairman, is consulted on the business of the Board and the Board Committees. Whereas Mr Tan Khai Pang as the CEO of the Company is responsible for setting the business strategies and directions for the Group and manages the business operations of the Group. He is assisted by an experienced and qualified team of executive officers of the Company.

The CEO consults with the Board and Board Committees on major issues. There are constant communications among Board members, and no Director represents a considerable concentration of power as any key decision will require the approval from all Directors prior to implementation.

With the positions of Chairman and the CEO filled by different persons, there is a clear separation of roles and responsibilities between the Chairman and the CEO. The Chairman and the CEO are not related.

PROVISION 3.3
LEAD INDEPENDENT DIRECTOR

The Company does not have a lead Independent Director as (i) the Chairman is independent and (ii) the Chairman and the CEO of the Company are separate persons. The Chairman is available to Shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

BOARD MEMBERSHIP

Principle 4: The board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the board.

The Board had merged the Nominating Committee and Remuneration Committee into a new Committee, known as Nominating and Remuneration Committee ("**NRC**") in November 2023, which aimed to improve its efficiency and effectiveness in discharging its duties. The scope and responsibilities of NRC are set out in the Term of Reference approved by the Board.

PROVISIONS 4.1 AND 4.2
NOMINATING AND REMUNERATION COMMITTEE

The NRC comprises two (2) Independent Directors and a Non-Executive Directors, namely:

Mr Richard J Denny	(Chairman/Independent Director)
Ms Goh Liang Choo	(Member/Independent Director)
Mr Paul C Burke	(Member/Non-Executive Director)

The role of the NRC as a nominating committee is to make recommendations to the Board on relevant matters relating to:

(a) the review of the succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors, including the review of the independence of the Independent Directors;

(c) the review of training and professional development programmes for the Board and its Directors; and

(d) the appointment and re-appointment of Directors (including alternate Directors, if any).

The NRC will review Board succession plans for Directors and will seek to refresh the Board membership in an orderly manner where it deems applicable. The NRC will also ensure that the Company has succession planning for its Executive Directors and key management personnel, including the appointment, training and mentoring of successors. The NRC has reviewed contingency arrangements for any unexpected incapacity of the Executive Director or any of key management personnel and is satisfied with the procedures in place in ensuring the transition to a full operational management team.

PROVISION 4.3
PROCESS FOR THE SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

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

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

Where there is a resignation or retirement of an existing Director, the NRC will re-evaluate the Board composition to assess the competencies for the replacement. The NRC will deliberate and propose to the Board the background, skills, qualification and experience of the candidate it deems appropriate. The factors taken into consideration by the NRC could include among other things, whether the new Director can add to or complement the mix of skills and qualifications in the existing Board; relevance of his or her experience and contributions to the business of the Group; and the depth and breadth he or she could bring to Board discussions. Candidates are sourced through a network of contacts and identified based on the established criteria. Search can be made through relevant institutions such as the Singapore Institute of Directors, professional organisations, business federations or external search consultants. New Directors will be appointed by way of a resolution by the Board or the Shareholders, after the NRC makes the necessary recommendation to the Board.

Regulation 104 of the Company's Constitution requires one-third of the Directors to retire at each AGM.

Mr Chua Chwee Koh is due to retire at the forthcoming AGM pursuant to Regulation 104 of the Company's Constitution and Rule 720(5) of the Listing Rules. The NRC has recommended to the Board the re-election of Mr Chua Chwee Koh at the forthcoming AGM. The Board has accepted the NRC's recommendation.

The information on Mr Chua Chwee Koh as required in Appendix 7.4.1 of the Listing Manual of the SGX-ST is contained in the Notice of the AGM.

PROVISION 4.4
DETERMINING DIRECTORS' INDEPENDENCE

Each Independent Director completes a checklist to confirm his independence on an annual basis. The NRC has reviewed the independence of the Directors as mentioned under Provision 2.1.

PROVISION 4.5
DIRECTORS' MULTIPLE BOARD REPRESENTATIONS

The NRC ensures that new Directors are aware of their duties and obligations. Each Director signs the undertaking in the form set out in Appendix 7.7 of the Listing Manual of the SGX-ST to undertake to use their best endeavours to comply with the Listing Rules and to procure that the Company too shall so comply.

The NRC considers and it is of the view that it would not be appropriate to set a limit on the number of directorships that a Director may hold because directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of Committees on which they serve are of different complexities. Accordingly, the NRC leaves it to each Director to personally determine the demands of his or her competing directorships and obligations and assess the number of directorships they could hold and serve effectively. The Board concurs with the NRC.

Mr Richard J Denny and Mr Paul C Burke have confirmed that they are able to devote sufficient time and attention to the affairs of the Group. They do not have any full-time executive commitments in any companies and their experiences are valuable to the Board and the Board Committees. Mr Chua Chwee Koh only sits on the board of one other listed company, whereas Ms Goh Liang Choo does not sit on the board of any other companies and has confirmed that they would be able to devote sufficient time and attention to the affairs of the Group.

After making all reasonable enquiries and having considered the aforementioned, nothing has come to the attention of the NRC to cause them to doubt that Mr Richard J Denny, Mr Paul C Burke, Mr Chua Chwee Koh and Ms Goh Liang Choo would not have the ability to commit sufficient time and attention to the affairs of the Group.

Details of the Directors' principal commitments and outside directorships are set out in the "Board of Directors" section of this Annual Report.

BOARD PERFORMANCE

Principle 5: The board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

PROVISIONS 5.1 AND 5.2
CONDUCT OF BOARD PERFORMANCE

The NRC has established a formal evaluation process to assess the effectiveness of individual Directors and of the Board as a whole.

Each year, the Directors are requested to complete appraisal forms to assess the overall effectiveness of the Board and the Board Committees, as well as each individual Director's contributions to the Board and the Board Committees.

The appraisal of the Board considers the Board composition, maintenance of independence, timeliness and completeness of information provided to the Board, Board process, Board accountability, communication with the Management and standard of conduct. The results of the appraisal exercise are considered by the NRC, which then makes recommendations to the Board with the aim of helping the Board to discharge its duties more effectively. The Directors are assessed on their experience in being a company director, competence and knowledge, the level and quality of involvement during the course of the year, attendance record at meetings of the Board and the Board Committees, intensity of participation at meetings, the quality of interventions and special contributions.

The Board Committees are assessed on the work they perform in accordance with their terms of reference and the objectivity and independence in their deliberations and recommendations they presented to the Board.

For FY2025, the NRC has reviewed each individual Director's performance during the appraisal exercise and the overall assessment of individual Directors and of the Board and Board Committees as a whole were good; they have been effective and have acted independently in the interest of all shareholders. The NRC has discussed the results with the Board and it is the Board's endeavour to, where appropriate, further improve and enhance its effectiveness regarding the Group's performance, financially or otherwise. The Board is also satisfied that each Director has allocated sufficient time and resources to the affairs of the Group. All NRC members have abstained from the review process in connection with the assessment of their individual performance.

The Company does not use any external professional facilitator for the assessments of the Board, Board Committees and individual Directors, and will consider the use of such facilitator as and when appropriate.

REMUNERATION MATTERS

Principle 6: The board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

PROVISIONS 6.1 AND 6.2
NOMINATING AND REMUNERATION COMMITTEE

The NRC comprises two (2) Independent Directors and a Non-Executive Director, namely:

Mr Richard J Denny	(Chairman/Independent Director)
Ms Goh Liang Choo	(Member/Independent Director)
Mr Paul C Burke	(Member/Non-Executive Director)

The Company has consolidated the functions of both the nominating and remuneration committees under the NRC as a single Board Committee and carried out its duties in accordance with the terms of reference. The role of the NRC is to recommend to the Board a framework for remunerating the Board and key management personnel and to determine specific remuneration packages for each Executive Director as well as for the key management personnel of the Group. Each NRC member will abstain from voting on any resolution in respect of his own remuneration package.

PROVISION 6.3
REVIEW OF REMUNERATION

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits-in-kind, will be covered by the NRC. Each NRC member will abstain from voting on any resolution in respect of his own remuneration package. The recommendations of the NRC will be submitted to the Board for endorsement.

Each of the Executive Directors and key management personnel has an employment contract with the Company which can be terminated by either party giving notice of resignation/termination. Each appointment is on an ongoing basis and no onerous or over-generous removal clauses are contained in his or her letter of employment. The Company does not have any contractual provisions in the employment contracts for the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel.

PROVISION 6.4
ENGAGEMENT OF REMUNERATION CONSULTANTS

The NRC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company. For FY2025, the NRC did not engage any expert professional advice.

LEVEL AND STRUCTURE OF RREMUNERATION

Principle 7: The level and structure of remuneration of the board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

PROVISION 7.1
REMUNERATION OF EXECUTIVE DIRECTORS AND KEY MANAGEMENT PERSONNEL

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

The NRC will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director and key management personnel when determining their respective remuneration packages.

Executive Directors and key management personnel of the Group are paid a fixed monthly salary and variable bonus based on a combination of the Group's performance, their operating unit performance and individual performance. The NRC members recommend the remuneration packages of Executive Directors and key management personnel of the Group for the approval by the Board.

PROVISION 7.2
REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Board has also recommended that a fixed fee be paid to each of the Non-Executive Directors, taking into account the effort, time spent and responsibilities of each Non-Executive Director. The fees of the Non-Executive Directors will be subject to Shareholders' approval at the AGM.

PROVISION 7.3
APPROPRIATE REMUNERATION TO ATTRACT, RETAIN AND MOTIVATE KEY MANAGEMENT PERSONNEL AND DIRECTORS

The Company has a share incentive scheme, namely, the Addvalue Technologies Performance Share Plan. The NRC has reviewed and is satisfied that the existing remuneration structure for Executive Director and key management personnel of the Group for their fixed and variable components to be paid out in cash would continue to be adequate in incentivising performance without being over-excessive. The NRC is satisfied that the remuneration for the Non-Executive Director as described under Provision 7.2 is appropriate to retain and motivate the Directors to continue in their role as stewards of the Company.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

PROVISION 8.1
REMUNERATION REPORT

The Company has adopted the following Directors' fees' framework excluding the Executive Director:

	For Board	For ARC	For NRC	For Board Exco	Additional attendance fee for each meeting outside of quarterly board meetings
Additional Chairmanship Fee	S$20,000 per annum	S$10,000 per annum	S$5,000 per annum	S$5,000 per annum	S$1,000 per meeting
Board Member Basic Fee	S$35,000 per annum	–	–	–	S$1,000 per meeting

Details of the remuneration paid or proposed to be paid to the Directors of the Company for FY2025 are set out below:

Director	Director's Fees (S$)	Meeting Attendance Fees (S$)	Fixed Salary[1] (S$)	Benefits[1] (S$)
Mr Tan Khai Pang	–	–	283,506	129,662
Mr Richard J Denny	60,000.00	3,000.00	–	–
Ms Goh Liang Choo	45,000.00	2,000.00	–	–
Mr Paul C Burke	35,000.00	1,000.00	–	–
Mr Chua Chwee Koh	40,000.00	24,000.00	–	–

1 The fixed salary amounts include salary, annual wage supplements and Central Provident Fund contribution while the benefits include variable bonuses linked to individual performances and other allowances.

Top 5 Management Personnel (who are not Directors)

Details of the remuneration paid to the Key Executives for FY2025 are set out below:

Remuneration Bands	Name of Key Executive	Designation	Fixed Salary[1] (%)	Benefits[1] (%)
S$250,000 to S$499,999	Mr Wong Tat Yang	Chief Financial Officer	71	29
	Mr Richard Lau	Chief Commercial Officer	75	25
Below S$250,000	Mr Low Boon Leng	Chief Technology Officer	70	30
	Mr K Kalaivanan	Vice President, Solutions Platform	87	13
	Mr Chong Kim Ho	Head of Software Engineering and IT Department	83	16

1 The fixed salary amounts include salary, annual wage supplements and Central Provident Fund contribution while the benefits include variable bonuses linked to individual performances and other allowances.

The top five (5) members of the key management team of the Group, who are not Directors of the Company, are disclosed above. The total remuneration paid to the key management team aggregated US$773,075.

There are no termination, retirement, and post-employment benefits that may be granted to the Non- Executive Directors and the CEO (where the benefits pursuant to the service agreement for the CEO as disclosed during IPO in 2000 have largely remain unchanged) and key management personnel of the Group.

PROVISION 8.2
REMUNERATION OF EMPLOYEES WHO ARE SUBSTANTIAL SHAREHOLDERS OR IMMEDIATE FAMILY MEMBERS OF DIRECTORS, CEO OR SUBSTANTIAL SHAREHOLDERS

During FY2025 and as at the date of this Annual Report, none of the employees of the Group are family members of any of the Directors, CEO or substantial Shareholders.

PROVISION 8.3
SHARE INCENTIVE SCHEME

The Addvalue Technologies Performance Share Plan, approved at an extraordinary general meeting held on 28 July 2017, was put in place to allow the Company to have flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees. No awards or shares were issued for FY2025 under the aforesaid share plan.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

PROVISION 9.1
RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board is responsible for ensuring that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets. The responsibility of overseeing the Company's risk management framework and policies is undertaken by the ARC with the assistance of In.Corp Business Advisory Pte Ltd ("**In.Corp**"), a third party which the Company has appointed as its internal auditors since November 2019.

The main risks arising from the Group's business and financial instruments are operational and financial risks. Operational risk is inherent in all business activities. To minimize such risk, the Group has put in place an Enterprise Risk Management Programme ("**ERM**"). The purpose of this programme was to actively engage senior management on a "hands-on" and proactive approach in managing and supervising the Group's business, with focus on operational and compliance risks. The Group has also engaged In.Corp since November 2019 as its consultant to assist in this area.

Having considered the Group's business operations, the existing internal control and risk management systems of the Group and the appointment of In.Corp as its internal auditors, the Board had established a separate risk committee in 2023. The Risk Committee ("**RC**") convened its inaugural meeting on 9 May 2023 and was later amalgamated into the Audit Committee to form the Audit and Risk Committee on 31 March 2024.

The ARC carried out its duties in accordance with its terms of reference. The Committee shall review the Group's strategy, policies, framework, processes and procedures for the identification, measurement, reporting and mitigation of material risks in the Group's business, with due consideration to applicable laws and regulations, as appropriate, and report any significant matters, findings and recommendations in this regard to the Board.

The ARC meets with the external and internal auditors without the presence of Management at least once a year to, amongst others, ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems.

The ARC reviewed the internal audit reports provided by In.Corp and the adequacy and effectiveness of the Group's internal control system in the light of key business and financial risks affecting its business.

PROVISION 9.2
ASSURANCES FROM THE CEO AND CHIEF FINANCIAL OFFICER

For FY2025, the Board has received assurance from the CEO and Chief Financial officer of the Company in the execution of their respective duties as CEO and Chief Financial Officer that to the best of their knowledge and belief that the financial records of the Group have been properly maintained; the financial statements give a true and fair view of the Group's operations and finances; and the Group's risk management and internal control systems are adequate and effective.

BOARD'S COMMENT ON ADEQUACY AND EFFECTIVENESS OF INTERNAL CONTROLS

Based on the work performed by the external and internal auditors, the system of risk management and internal controls established and maintained by the Group, the assurances from the CEO and Chief Financial Officer of the Company, the reviews performed by the Management, the various Board Committees and the Board, pursuant to Rule 1207 (10) of the Listing Rules, the Board is of the opinion that the Group's internal controls, including operation, financial, compliance, information technology controls and risk management system, are adequate and effective as at the date of this Annual Report. The ARC concurs with the Board's opinion based on their reviews of the Group's risk management and internal control systems.

The Board recognises that the system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives and that no systems of internal controls or risk management can provide absolute assurance against the occurrence of errors, poor judgement in decision making, losses, frauds or other irregularities. It can only provide reasonable and not absolute assurance against material misstatement or loss or that the Group will not be adversely affected by any event that can be reasonably foreseen.

AUDIT AND RISK COMMITTEE

Principle 10: The board has an audit committee which discharges its duties. objectively

PROVISIONS 10.1 AND 10.2
ARC MEMBERSHIP & COMPOSITION

The Risk Committee ("**RC**") was amalgamated into the Audit Committee to form the Audit and Risk Committee since 31 March 2024. The ARC comprises two (2) Independent Directors and one (1) Non-Executive Director, namely:

Ms Goh Liang Choo	(Chairman/Independent Director)
Mr Richard J Denny	(Member/Independent Director)
Mr Chua Chwee Koh	(Member/Non-Executive Director)

All the ARC members have had many years of senior management experience and were responsible and accountable for the financial performance of operations under their charge and had developed strong accounting or financial related management expertise. All the ARC members are kept up to date with changes in accounting standards and issues through updates from the external auditors. The Board is of the view that the ARC is able to discharge its functions effectively.

The ARC carries out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the Listing Rules, the Best Practices Guide issued by the SGX-ST and the provisions of the Code. In performing those functions, the ARC shall review, amongst others:

- the scope, adequacy, effectiveness, independence and the results of internal audit functions and audit procedures with the Company's internal auditors;

- the adequacy, effectiveness, independence and scope of the audit plan of the Company's external auditors and its report on the weaknesses of internal accounting controls arising from the statutory audit;

- the assistance given by the Management to the internal and external auditors;

- the adequacy and effectiveness of the Company's internal control and risk management systems at least on an annual basis;
- the assurance from the CEO and the Chief Financial Officer on the proper upkeep of financial records and financial statements;
- the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and the disclosures thereof in relation to the periodic results announcements of the Group prior to their submission to the Board for approval;
- the financial statements of the Company and the consolidated financial statements of the Group as well as the external auditors' report thereon for each financial year prior to their submission to the Board for approval;
- recommendations to the Board on the appointment, re-appointment or removal of the external auditors and the remuneration and terms of engagement of the external auditors;
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the SGX-ST); and
- oversight over the administration of the framework for whistle-blowing.

The ARC has full access to the Management and is given the resources required for it to discharge its functions. The ARC has authority to investigate any matter within its terms of reference and discretion to invite any Director or executive officer of the Group to attend its meetings.

The ARC also reviewed the key audit matters ("**KAM**") set out in the auditor's report for FY2025. The ARC had discussed and noted, together with the external auditors and the Management, on the approach and methodology applied by the external auditors in relation to the assessment of judgements and estimates on the significant matters reported in the KAM.

The Company confirms that it has complied with Rules 712 and 715 of the Listing Rules in engaging Forvis Mazars LLP, an accounting firm registered with the Accounting and Corporate Regulatory Authority of Singapore, as the external auditors of the Company and its Singapore subsidiaries. Forvis Mazars LLP have audited the Group's significant foreign subsidiaries for the purpose of expressing an opinion on the consolidated financial statements.

Amba Partners CPA Limited is appointed as the external auditors of the Company's subsidiary incorporated in Hong Kong, the Board and the ARC are satisfied that the appointment of different auditors would not compromise the standard and the effectiveness of the audit of the Group and that Rule 716 of the Listing Rules has been complied with.

Independence of external auditors

Pursuant to Listing Rule 1207(6)(b), the ARC reviews the independence of the external auditors annually. The auditors, during the ARC meeting on 20 May 2025 where Forvis Mazars presented their findings in the Audit Completion Memorandum for FY2025 to the ARC. At the end of the update, the management stepped out of the meeting temporarily for the ARC to meet with Forvis Mazars, without the presence of management.

Forvis Mazars has confirmed to the ARC that the engagement team and others in Forvis Mazars as appropriate are independent of the Company and the Group in accordance with the ACRA Code. Forvis Mazars also confirmed that they fulfilled their ethical responsibilities in accordance with requirements relevant to their audit of the financial statements in Singapore and the ACRA Code.

In addition, Forvis Mazars confirmed that they are not aware of any relationships and other matters between Forvis Mazars and the Group that, in their professional judgment, may reasonably be thought to bear on their independence.

Forvis Mazars only performed audit-related services ("**ARS**") where the work involved is closely related to the work performed in the audit and usually carried out by the audit engagement team and there was no non-audit related fees charged for FY2025. The aggregate fees paid to the Group's external auditor Forvis Mazars LLP, for FY2025 were $135,000 (FY2024: $130,000).

Accordingly, the ARC after its review of the nature, extent of such services and objectivity of Forvis Mazars as the external auditors, was satisfied that they would not, in the ARC's opinion, affect the independence of the auditors. The ARC recommended to the Board that Forvis Mazars LLP be nominated for re-appointment as the external auditors of the Group's companies in Singapore at the forthcoming AGM at remuneration to be re-negotiated.

Whistle-blowing policy

The Company has in place a whistle-blowing framework for staff to raise concerns about improprieties. The policy serves to encourage and provide a channel for employees to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters. The objective of such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action.

The ARC is responsible for oversight and monitoring of any whistle-blowing matters. All whistler-blower complaints will be investigated independently by the ARC and the findings will be reported to the Board.

All whistle-blowing reports will be handled confidentially, except as necessary or appropriate to conduct investigation and to take remedial action, in accordance with the applicable law and regulations. In this regard, the identity of the whistle-blower making the allegation will be kept confidential and confined to disclosures on a need-to-know basis to the ARC, the investigating team, the Board of Directors of the Company; and any party to whom the identity of the whistle-blower is required to be disclosed by law.

The ARC members have the responsibility to conduct investigations. If a complaint falls within the scope of specific procedures of the Company, it will be referred for consideration under those procedures. The ARC will ensure that those procedures are conducted by persons who are independent of the complaint. The ARC may investigate the complaint and decide on the appropriate course of action. Where a complaint requires further investigations, the ARC shall nominate an independent investigation team to conduct the investigation. All members of the investigation team shall be independent and conduct the investigation impartially.

The Company will not tolerate the harassment or victimisation of anyone reporting a genuine concern. If the whistle-blower has suffered adverse treatment, harassment or victimisation as a result of his or her disclosure, he or she should submit a formal complaint to the Human Resources ("**HR**") Department or higher authority as appropriate. An investigation may take place and disciplinary action may be taken against any person who harasses or victimises the whistle-blower or subject the whistle-blower to detrimental or unfair treatment.

There was 1 report of whistle-blowing received in FY2025, however it was categorized as grievance and HR has taken necessary action.

PROVISION 10.3
PARTNERS OR DIRECTORS OF THE COMPANY'S AUDITING FIRM

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the ARC.

PROVISION 10.4
INTERNAL AUDIT

In view of the need to comply with the Group's established procedures, manuals and policies, including those required by the Group's ISO 9001 certification, the Group had since FY2020 engaged In.Corp as its independent internal auditors to review the Human Resource and Payroll Management internal controls and compliance systems of the Group under the Internal Audit Charter and Audit Plans approved by the ARC. In.Corp, a member firm of Kreston International, carries out its internal audit functions according to the standards of the Professional Practice of Internal Auditing of the Institute of Internal Audit (IIA), and reports the findings thereof and makes recommendations to the Management and the ARC. Pursuant to Rule 1207(10C), the ARC is generally satisfied with the independence, adequacy and effectiveness of the current internal audit arrangement, and will continue to assess its effectiveness regularly.

The size of In.Corp's IA is 12 persons. The size of the IA engagement team servicing Addvalue Technologies Ltd is 4 persons. The IA Partner has more than 16 years of audit experience serving various Public Listed Companies, Ministries, Organs of State, Statutory Boards, Institutions of Higher Learning, Financial Institutions, Charities and Institutions of a Public Character. The IA team is led by Senior Managers/Managers who hold Certified Internal Auditor and Chartered Accountant (Singapore) qualifications and have 5 to 8 years of relevant audit experience and are members of the Institute of Internal Auditors Singapore (IIA). The IA team is also supported by Senior Associates with 3 to 4 years of relevant audit experience.

The ARC will also review the audit plans and the findings of the external auditors and will ensure that the Group follows up on the external auditors' recommendations raised, if any, during the audit process.

PROVISION 10.5
MEETING WITH AUDITORS WITHOUT PRESENCE OF MANAGEMENT

During the year, the Company's external auditors and internal auditors were invited to attend the ARC meetings and make presentations as appropriate. The ARC meets with both the internal and external auditors without the presence of the Management at least once a year. The ARC met each of the external auditors and internal auditors without the presence of management once for FY2025.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

PROVISION 11.1
PROVIDING OPPORTUNITY FOR SHAREHOLDERS TO PARTICIPATE AND VOTE AT GENERAL MEETINGS

Every Shareholder has the right to receive notice of general meetings and to vote thereat. Notice of a general meeting is sent out at least 14 days before the meeting so that sufficient notice of meeting is given to Shareholders to attend the meeting or appoint proxies to attend and vote in their stead.

At the AGM, Shareholders are given the opportunities to express their views and ask the Board and the Management questions regarding the operations of the Company. All resolutions at general meetings are required to be voted on by poll under the Listing Rules. Shareholders will be briefed by the Company on the poll voting procedures at general meetings.

The results of the general meetings are released as an announcement in the SGXNET of the SGX-ST.

The forthcoming AGM will be held in-person and in accordance with the requirements of the Companies Act and Listing Manual, in particular Practice Note 7.5 of the Listing Manual. Shareholders can submit questions in advance of the AGM by post or email to the Company and on the day they attend the meeting. The Company will endeavour to address all substantial and relevant questions and if received by the prescribed deadline in the Notice of AGM, prior to the meeting. For substantial and relevant questions received after the prescribed deadline, the Company will endeavour to address them together with questions raised in the AGM.

PROVISION 11.2
SEPARATE RESOLUTIONS AT GENERAL MEETINGS

The Company will have separate resolutions at general meetings on each distinct issue. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed separate resolution relating to the said item. For resolutions on the election or re-election of Directors, information on the Directors as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST are given in the Notice of AGM.

PROVISION 11.3
ATTENDANCE OF DIRECTORS AND AUDITORS AT GENERAL MEETINGS

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

PROVISION 11.4
ABSENTIA VOTING

The Company's Constitution allows appointment of proxies by a Shareholder who is absent from a general meeting to exercise his or her vote in absence through his or her proxy or proxies. The Company's Constitution allows all Shareholders (who are not relevant intermediaries as set out under the Companies Act) to appoint up to two proxies to attend general meetings and vote on their behalf. The Companies Act allows relevant intermediaries such as the CPF agent bank nominees to appoint multiple proxies and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

PROVISION 11.5
MINUTES OF GENERAL MEETINGS

The Company prepares minutes of general meetings detailing the proceedings and questions raised by Shareholders and answers given by the Board and the Management. The minutes will be taken and published within one month after the general meeting on SGXNet and in the Company's corporate website at www.addvaluetech.com.

PROVISION 11.6
DIVIDENDS

The Group currently does not have a formal dividend policy as it needs to conserve its financial resources for expansion or making inroads into newly cultivated markets.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

PROVISION 12.1
AVENUES FOR COMMUNICATION BETWEEN THE BOARD AND SHAREHOLDERS

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 Listing Rules. Price sensitive and trade-sensitive information is publicly announced before it is communicated to any other interested person.

The Company does not practice selective disclosure, and price-sensitive and trade-sensitive information is publicly released on an immediate basis where required under the Listing Rules. 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 promptly through the SGXNET of the SGX-ST. 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. The Board believes that general meetings serve as an opportune forum for Shareholders to meet the Board and key management personnel, and to interact with them. The FY2025 Annual Report will be made available for viewing at the Company's corporate website (at www.addvaluetech.com) and via the SGXNET of the SGX-ST at least 14 days before the coming AGM and will be sent to shareholders upon request in line with the "going green" practice due to the world-wide climate concern.

PROVISIONS 12.2 AND 12.3
INVESTOR RELATIONS

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 Company investor relations policy is to communicate with its Shareholders and the investment community through the timely and equal dissemination of information and news via announcements to the SGX-ST via its SGXNET. The Company does not practice selective disclosure.

The Company strives to reach out to Shareholders and investors via its online investor relations site within its corporate website (at www.addvaluetech.com), where it updates Shareholders and investors on the latest news and business developments of the Group.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

PROVISIONS 13.1 AND 13.2
ENGAGE WITH ITS MATERIAL STAKEHOLDER GROUPS

The Group's material stakeholders are its Shareholders, customers, employees, business partners and the community, investors, customers, business partners and vendors, employees and regulators, and the Company engages with them through its sustainability initiatives and corporate social responsibility programmes as set out in the Sustainability Report for FY2025, which is incorporated in this Annual Report, will be posted on the SGXNET of the SGX-ST and the Company's corporate website (at www.addvaluetech.com) in accordance to Rule 711(A)

PROVISION 13.3
CORPORATE WEBSITE TO COMMUNICATE AND ENGAGE WITH STAKEHOLDERS

The Group maintains a corporate website at www.addvaluetech.com which stakeholders and investors can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group. Stakeholders and investors are provided with an investor relations contact at investor@addvalue.com.sg, where they can send their queries to, and the Company will endeavour to respond thereafter.

INTERESTED PERSON TRANSACTION

The Group has adopted an internal policy in respect of any transactions with interested persons, and requires all such transactions to be at arm's length and reviewed by the ARC. The Company does not have any general mandate pursuant to Rule 920 of the Listing Rules.

Save for the following interested person transactions as disclosed below, there were no interested person transactions (of more than S$100,000) entered into by the Company or any of its subsidiaries for FY2025.

Name of the interested person/ Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	US$	US$
None	Nil	Nil

SECURITIES TRANSACTIONS

The Company wishes to confirm that it has in place a policy prohibiting dealings in the Company's securities by the Company and its Directors and employees of the Group:

(a) one month before the announcement of its half year and full year unaudited financial statements ("**non-dealing period**");

(b) on short term considerations; and

(c) when in possession of unpublished price-sensitive or trade-sensitive information.

Two weeks before each non-dealing period, the Company Secretary will notify the Directors and CEO of the Company's share trading prohibition policy. The management of the Company will also ensure that employees of the Group are duly informed of the same.

The Company has complied with the best practices pursuant to Rule 1204(19)(c) of the Listing Rules in not dealing in its own securities during the restricted trading periods.

MATERIAL CONTRACTS

There were no material contracts involving the Company (or any of its subsidiaries) and the interest of the CEO, any Director or controlling Shareholder, which were still subsisting at the end of FY2025.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Addvalue Technologies Ltd (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 March 2025 and the statement of financial position of the Company as at 31 March 2025.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) 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.

2. DIRECTORS

The directors of the Company in office at the date of this statement are:

Executive director
Mr Tan Khai Pang

Independent non-executive directors
Mr Richard J Denny
Ms Goh Liang Choo

Non-Independent non-executive directors
Mr Paul C Burke
Mr Chua Chwee Koh

In accordance with Regulation 104 of the Constitution of the Company, Mr Chua Chwee Koh will retire and being eligible, offer himself for re-election.

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects 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, except as disclosed in paragraphs 4 and 5 below.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the Company holding office at the end of the financial year had no interest in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as disclosed below:

	Direct interests		
	At 1 April 2024	**At 31 March 2025**	**At 21 April 2025**
The Company			
Ordinary shares			
Mr Tan Khai Pang	36,201,000	36,201,000	36,201,000
Mr Richard J Denny	5,500,000	5,500,000	5,500,000
Mr Paul C Burke	137,726,406	137,726,406	137,726,406
Mr Chua Chwee Koh	7,834,900	7,834,900	7,834,900
Redeemable convertible bonds			
Mr Tan Khai Pang	S$74,800	S$74,800	S$74,800
Mr Chua Chwee Koh	S$100,000	S$100,000	S$100,000
Convertible loan notes			
Mr Tan Khai Pang	S$52,000	S$52,000	S$52,000
Mr Richard J Denny	S$26,000	S$26,000	S$26,000
Mr Paul C Burke	S$357,500	S$357,500	S$357,500
Mr Chua Chwee Koh	S$32,500	S$32,500	S$32,500
Ms Goh Liang Choo	S$19,500	S$19,500	S$19,500
Warrants			
Mr Tan Khai Pang	4,000,000	4,000,000	4,000,000
Mr Richard J Denny	2,000,000	2,000,000	2,000,000
Mr Paul C Burke	27,500,000	27,500,000	27,500,000
Mr Chua Chwee Koh	2,500,000	2,500,000	2,500,000
Ms Goh Liang Choo	1,500,000	1,500,000	1,500,000

5. SHARE OPTIONS

There were no options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries as at the end of the financial year.

6. WARRANTS

As part of the fundraising exercise in 2024, the Company issued 37,500,000 free detachable warrants (the "Warrants") respectively to its directors, each carrying the right to subscribe for one (1) new ordinary share at an exercise price of $0.013 per share. Each Warrant may be exercised at any time during the period commencing on and including the date of issue of the Warrants and expiring on the date immediately preceding second anniversary of the date of issue of the Warrants. The exercise price of the Warrants and the number of Warrants are fixed, subject to the terms and conditions set out in the Deed Poll. A total of 37,500,000 Warrants remains outstanding as of 31 March 2025.

7. AUDIT COMMITTEE

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

Ms Goh Liang Choo	(Chairman)
Mr Chua Chwee Koh	(Member)
Mr Richard J Denny	(Member)

The Audit Committee has convened four meetings during the financial year with key management and the internal and external auditors of the Company.

The Audit Committee carried out its functions in accordance with Section 201B (5) of the Act, the Singapore Exchange Securities Trading Limited's ("SGX-ST") Listing Manual and the Code of Corporate Governance. In performing those functions, the Audit Committee:

- reviewed the audit plan and results of the external audit, including the evaluation of internal accounting controls and its cost effectiveness, and the independence and objectivity of the external auditors, including the review of the extent of non-audit services provided by the external auditors to the Group;
- reviewed the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;
- reviewed the Group's quarterly financial performance and annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;
- reviewed the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;
- reviewed and assessed the adequacy of the Group's risk management processes;
- reviewed and checked the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;
- reviewed any interested person transactions in accordance with SGX-ST Listing Manual;
- reviewed the nomination of external auditors and gave approval of their compensation; and

- reviewed the submission of report of actions and minutes of the Audit Committee to the board of directors with any recommendations as the Audit Committee deems appropriate.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Forvis Mazars LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

8. AUDITORS

The auditors, Forvis Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the board of directors

Mr Richard J Denny
Director

Mr Tan Khai Pang
Director

Singapore
30 June 2025

INDEPENDENT AUDITORS' REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Addvalue Technologies Ltd (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 March 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information from 84 to 161.

In our opinion, the accompanying 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 Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (the "ACRA code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key audit matter	Our audit response
Impairment assessment of development expenditure *Refer to Note 3.2 for the relevant key sources of estimation uncertainty and Note 15 (Intangible Assets) for the disclosures relating to the impairment assessment.*	
The Group develops and manufactures a range of terminals operating on major satellite networks for land, maritime, aeronautical applications and space resilient technologies. As at 31 March 2025, the carrying value of development expenditure amounted to US$8,356,000 (2024: US$8,147,000), which represented 34% (2024: 37%) of the Group's total assets. In accordance with SFRS(I) 1-36 *Impairment of Assets*, an entity assesses at the end of each reporting period whether there is any indication that the development expenditure may be impaired. If any such indication exists, the management shall estimate the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, an entity shall also test the development expenditure not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. For the purpose of impairment assessment, development expenditure has been allocated to the Group's cash-generating units ("CGUs") as follows: • Satellite communication ("Satcom"); • Advance Digital Radio Solutions ("ADRS"); and • Space Connectivity ("SPC"). Management assessed discounted cash flow derived from the most recent financial budgets approved by the Board of Directors and estimated the probable future economic benefits from the identified CGUs that are expected to be generated by the development expenditure developed by the Group. The estimates of the recoverable amounts of the CGUs in which development expenditure attributable to, are determined based on value-in-use calculations. Discounted cash flow projections used in the calculation are based on the approved financial budgets, discount rate and growth rates in revenue, for which the estimates used are subjected to significant judgement applied by the management.	Our audit procedures include, but are not limited to, the following: • Assessed the reasonableness of key inputs and assumptions used by management based on our knowledge of the business; • Assessed independence and competence of management's expert (external valuer) for the impairment assessment of development expenditure; • Involved both in-house and external valuation experts on the assessment of the value-in-use model; • Performed sensitivity analysis on the key assumptions where we adjusted the discount rates, sales forecast, and revenue growth rates for those key assumptions that are most sensitive to the valuation model; • Tested source data to supporting evidence on a sample basis, such as historical performance, management's expectations of market developments, approved budgets and considered the reasonableness of these budgets; and • Considered the appropriateness of the disclosures in respect of value-in-use calculations presented in the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key audit matter	Our audit response
Provision for inventories obsolescence *Refer to Note 3.2 for the relevant key sources of estimation uncertainty relating to inventories valuation method.*	
As at 31 March 2025, the Group's inventories are US$8,688,000 (2024: US$7,277,000), representing 35% (2024: 33%) of the Group's total assets. With reference to SFRS(I) 2 *Inventories*, inventories are valued at the lower of cost and net realisable value ("NRV"). Management reviews the Group's inventories levels to identify slow-moving and obsolete inventories. The assessment of the provision for inventories obsolescence requires the use of significant judgement and estimates. Based on the Group's policies, the inventories will be written off if they are aged more than 3 years. Management's allowance for inventories obsolescence is subjective and influenced by estimates concerning the level of sales activity. In consideration of the significance of the balance and significant estimates and judgement applied by management, we consider this as a key audit matter.	Our audit procedures included, and were not limited to, the following: • Understood the inventory policy on making allowance of the Group; • Reviewed the inventory aging and management's assessment on potential stock obsolescence; and • Reviewed management's assessment of the estimation of NRV of inventories as at 31 March 2025 to determine whether the inventories are measured at lower of cost and NRV.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of Management and Directors 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 Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

The engagement partner on the audit resulting in this independent auditors' report is Wong Zi En.

FORVIS MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
30 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	2025 US$'000	2024 US$'000
Revenue	4	15,528	12,773
Cost of sales		(7,432)	(6,064)
Gross profit		8,096	6,709
Other operating income	5	970	399
Selling and distribution expenses		(1,141)	(925)
Administrative expenses		(3,261)	(3,390)
Provision for expected credit loss on trade receivables		(44)	(3)
Other operating expenses	6	(2,523)	(1,761)
Finance expenses	7	(466)	(722)
Profit before income tax	8	1,631	307
Income tax credit/(expense)	9	322	(30)
Profit for the year		1,953	277
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising from translation of foreign operations, representing other comprehensive income for the year, net of tax		–	25
Total comprehensive income for the year, net of tax		1,953	302
Earnings per share attributable to equity holders of the Company (cents)			
Basic and diluted	10	0.06	0.01

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note	Group		Company	
		2025 US$'000	2024 US$'000	2025 US$'000	2024 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	1,058	903	–	–
Subsidiaries	13	–	–	19,085	19,085
Associate	14	*	*	*	*
Intangible assets	15	8,356	8,147	–	–
Deferred tax assets	16	377	–	–	–
Trade receivables	17	106	–	–	–
		9,897	9,050	19,085	19,085
Current assets					
Inventories	18	8,688	7,277	–	–
Trade receivables	17	3,699	3,584	–	–
Other receivables, deposits and prepayments	19	932	1,457	24	10
Other investment	20	–	2	–	2
Due from subsidiaries (non-trade)	21	–	–	7,580	8,321
Cash and bank balances	22	1,506	535	14	1
		14,825	12,855	7,618	8,334
TOTAL ASSETS		24,722	21,905	26,703	27,419
LIABILITIES					
Current liabilities					
Trade payables	23	4,156	4,623	-	-
Other payables and accruals	24	2,456	2,416	793	959
Provisions	25	170	212	156	187
Borrowings	26	1,002	567	766	-
Derivative financial liabilities	30	33	74	33	74
Lease liabilities	31(b)	223	209	–	–
Contract liabilities	32	3,634	1,896	–	–
Income tax liabilities		19	–	–	–
Due to subsidiaries (non-trade)	21	–	–	537	501
		11,693	9,997	2,285	1,721
Non-current liabilities					
Borrowings	26	3,484	4,103	3,484	4,103
Lease liabilities	31(b)	86	287	–	–
Deferred tax liabilities	16	1,421	1,385	–	–
		4,991	5,775	3,484	4,103
TOTAL LIABILITIES		16,684	15,772	5,769	5,824
NET ASSETS		8,038	6,133	20,934	21,595
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	33	89,483	89,483	89,483	89,483
Capital reserve	34	747	747	–	–
Statutory reserve	35	–	8	–	–
Foreign currency translation reserve	36	–	40	–	–
Accumulated losses		(82,192)	(84,145)	(68,549)	(67,888)
TOTAL EQUITY		8,038	6,133	20,934	21,595

* *Denotes amount < US$1,000*

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Share capital US$'000	Capital reserve US$'000	Statutory reserve US$'000	Foreign currency translation reserve US$'000	Accumulated losses US$'000	Total equity US$'000
Balance at 1 April 2023	89,483	747	8	15	(84,422)	5,831
Profit for the year	–	–	–	–	277	277
Other comprehensive income, net of tax	–	–	–	25	–	25
Total comprehensive income for the year	–	–	–	25	277	302
Balance at 31 March 2024	89,483	747	8	40	(84,145)	6,133
Profit for the year, representing total comprehensive income for the year	–	–	–	–	1,953	1,953
Liquidation of a subsidiary (Note 13)	–	–	(8)	(40)	–	(48)
Balance at 31 March 2025	89,483	747	–	–	(82,192)	8,038

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	2025 US$'000	2024 US$'000
Operating activities			
Profit before income tax		1,631	307
Adjustments for:			
Amortisation of intangible assets	6	941	601
Depreciation of property, plant and equipment	6	407	375
Interest expense		434	634
Interest income	5	–	(1)
Provision for expected credit loss on trade receivables	8	44	3
Inventories written off	6	16	103
Allowance for stock obsolescence	6	477	–
Fair value loss on quoted equity instruments	6	–	17
Fair value loss/(gain) on financial liabilities at fair value through profit or loss ("FVTPL")	5, 6	132	(92)
Fair value (gain)/loss on derivative financial liabilities	5, 6	(41)	8
Gain on liquidation of a subsidiary	5	(115)	–
Property, plant and equipment written off	6	2	–
Other receivables written off	6	1	–
(Reversal of provisions)/Provisions	25	(42)	34
Unrealised foreign exchange loss/(gain)		7	(51)
Payables written off	5	–	(213)
Total operating cash flows before movements in working capital		3,894	1,725
Changes in working capital:			
Inventories		(1,904)	198
Trade and other receivables		259	(2,066)
Trade and other payables		(426)	827
Contract liabilities		1,738	1,116
Net cash generated from operating activities		3,561	1,800
Investing activities			
Purchase of property, plant and equipment	12	(535)	(128)
Additions in intangible assets	15	(1,150)	(776)
Net cash inflow from liquidation of a subsidiary	13	64	–
Net cash used in investing activities		(1,621)	(904)
Financing activities			
Proceeds from borrowings		1,489	3,077
Repayment of borrowings		(1,903)	(2,829)
Repayment of lease liabilities	31(a)	(215)	(194)
Interest paid		(340)	(566)
Net cash used in financing activities		(969)	(512)
Net increase in cash and cash equivalents		971	384
Cash and cash equivalents at beginning of the financial year		535	151
Cash and cash equivalents at end of the financial year	22	1,506	535

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

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

			Non-cash movements				
	1 April 2024	Financing cashflows	Interest expenses	Foreign exchange movement	Additions	Fair value loss/(gain)	31 March 2025
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Liabilities							
Loans	100	62	72	2	–	–	236
Bills payable	467	(476)	20	(11)	–	–	–
Redeemable convertible bonds	3,396	–	–	13	–	75	3,484
Convertible loan notes	707	–	–	2	–	57	766
Derivative financial liabilities	74	–	–	–	–	(41)	33
Lease liabilities	496	(232)	17	(1)	29	–	309

			Non-cash movements					
	1 April 2023	Financing cashflows	Interest expenses	Foreign exchange movement	Additions	Fair value loss/(gain)	Conversion from payables	31 March 2024
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Liabilities								
Loans	485	(640)	270	(15)	–	–	–	100
Bills payable	222	201	45	(1)	–	–	–	467
Redeemable convertible bonds	3,561	–	–	(56)	–	(109)	–	3,396
Convertible loan notes	–	303	–	(1)	–	17	388	707
Derivative financial liabilities	–	66	–	–	–	8	–	74
Lease liabilities	91	(209)	15	–	599	–	–	496

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

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

1. GENERAL

Addvalue Technologies Ltd (the "Company") (Registration Number 199603037H) is a limited liability company incorporated and domiciled in Singapore and listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The registered office and principal place of business of the Company is located at 202 Bedok South Avenue 1 #01-11 Singapore 469332.

The principal activity of the Company is that of investment holding.

The principal activities of its subsidiaries are disclosed in Note 13 to the financial statements.

The financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 March 2025 were authorised for issue by the Board of Directors on the date of directors' statement.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and the statement of financial position of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I) ("SFRS(I) INT") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position of the Company are presented in United States dollar ("US$") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("US$'000"), unless otherwise indicated.

In the current financial year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 April 2024. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

SFRS(I) and SFRS(I) INT issued but not yet effective

At the date of authorisation of these statements, the following SFRS(I) and SFRS(I) INT that are relevant to the Group were issued but not yet effective:

SFRS (I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 1-21, SFRS(I) 1	Amendments to SFRS(I) 1-21: *Lack of Exchangeability*	1 January 2025
SFRS(I) 9, SFRS(I) 7	Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Statements*	1 January 2026
Various	Annual improvements to SFRS(I)s - Volume 11	1 January 2026
SFRS(I) 18	Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19	Subsidiaries without public accountability: *Disclosures*	1 January 2027
SFRS(I) 9, SFRS(I) 7	Amendments to SFRS(I) 9 and SFRS(I) 7: *Contracts Referencing Nature-dependent Electricity*	1 January 2026
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards, with the exception of SFRS(I) 18 *Presentation and Disclosure in Financial Statements* (“SFRS(I) 18”), will have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

SFRS(I) 18, effective for annual periods beginning on or after 1 January 2027, replaces SFRS(I) 1-1 *Presentation of Financial Statements* and introduces new requirements for presentation and disclosure in financial statements. SFRS(I) 18 mandates a new structure for the statement of profit or loss and also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. As a consequential result of SFRS(I) 18 requirements, all entities are required to use the operating profit subtotal, instead of profit or loss, as the starting point for presenting operating cash flows under the indirect method. The classification of cash flows from dividends and interests in either operating, investing and financing cash flows is also fixed.

SFRS(I) 18 will apply retrospectively. The Group is still in the process of assessing the corresponding impact on the primary financial statements and notes to the financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* ("SFRS(I) 3") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9"), is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition

Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised goods or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

Sale of finished products and components

The Group sells a range of tele-communication and satellite communication equipment to its customers. Revenue is recognised at a point in time when control of the goods is transferred to the end customers (i.e. when the goods are delivered in accordance with the applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the goods have been transferred to the customer). A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due.

Design service income

Design service relates to testing services on products sold. Revenue is recognised at a point in time when the services are completed. A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due.

The transaction price is allocated to each performance obligation in the contract on the basis of the relative stand-alone selling prices of the promised services.

Warranty obligations

The Group provides a two-year assurance-type warranty for the sale of goods. These warranties are accounted for under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* ("SFRS(I) 1-37") (see Note 25).

Financing components

The Group does not extend credit terms beyond one year and does not expect, at contract inception, that the period between when the Group transfers a promised goods or service to a customer and when the customer pays for that goods or service to be beyond one year. Accordingly, the Group does not adjust the promised amount of consideration for the effects of a significant financing components.

2.5 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Retirement benefits costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Employee leave entitlement

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

2.8 Income tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the 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, and are 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 and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in 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.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year 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 the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

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, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Income tax (Continued)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

2.9 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

Exchange differences relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed off.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Property, plant and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are shown at cost less any subsequent accumulated depreciation, and where applicable, accumulated impairment losses.

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

	Useful lives (Years)
Leasehold buildings (over the lease term)	3
Laboratory equipment	5
Furniture, fittings and office equipment	5 - 6
Computers and software	5
Toolings	3
Renovations	6

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 31.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to accumulated profits directly.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Intangible assets

Acquired intangible assets

Acquired intangible assets are measured initially at cost. Subsequent to initial recognition, the intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Acquired intangible assets have either finite or indefinite useful life.

Intangible assets with finite useful life are amortised over its useful life, using its straight-line method.

The amortisation charge is recognised in profit or loss and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Intangible assets with indefinite useful life are not amortised, but tested for impairment annually, and whenever there is an indication that the intangible asset may be impaired. The indefinite useful life of an intangible asset is reviewed at the end of each financial year and where events and circumstances do not continue to support the indefinite useful life assessment for that asset, a change from indefinite to finite useful life is accounted for as a change in accounting estimate and adjusted prospectively.

The intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal, with any gain or loss arising from the derecognition of an intangible asset, being the difference between the net disposal proceeds and the carrying amount of the asset, recognised in profit or loss.

Internally generated intangible assets

Expenditure from the research phase of an internal project to create an intangible asset is expensed in profit or loss when it is incurred. Where the research phase cannot be distinguished from the development phase of an internal project, the Group treats the expenditure on that project as if it were incurred in the research phase only.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised, if, and only if, all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Intangible assets (Continued)

Internally generated intangible assets (Continued)

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The amortisation charge is recognised in profit or loss and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

(i) Development expenditure

Internally generated development expenditure are 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 10 years.

(ii) Intellectual properties

Separately acquired patents are 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 7 years.

(iii) Computer software

Separately acquired 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.

2.12 Investments in associates

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not of control or of joint control of those policies, and generally accompanying a shareholding of 20% or more of the voting power.

On acquisition of the associate, any excess of the cost of the investment over the Group’s share of the net fair value of the associate identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group’s share of the net fair value of the associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group’s share of the associate’s profit or loss in the reporting period in which the investment is acquired. Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company’s separate financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Investments in associates (Continued)

The results and assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under SFRS(I) 5 from the date on which the investee become held-for-sale. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investments in associates at cost in its separate financial statements.

2.13 Impairment of non-financial assets excluding goodwill

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows 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.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Company applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Company applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 in Note 2.4.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost and fair value through profit or loss ("FVTPL") depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at effective interest rate applicable.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at fair value through other comprehensive income ("FVTOCI"), or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 40.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Redeemable convertible bonds and convertible loan notes

Redeemable convertible bonds and convertible loan notes are treated as hybrid instruments, consisting of a liability component and embedded derivative component(s). The redeemable convertible bonds and convertible loan notes are designated as financial instruments that are carried at fair value through profit or loss in its entirety and therefore the embedded derivative are not recognised separately.

The redeemable convertible bonds and convertible loan notes are recognised initially at the fair value which is based on the issuance proceeds. Subsequently, the redeemable convertible bonds and convertible loan notes are carried at fair value with fair value changes being recognised in profit or loss on each reporting date.

Derivative financial instruments

Warrant liabilities

Derivatives are initially recognised at their fair values at the date the derivative contract is entered into and are subsequently remeasured to their fair values at the end of each financial year. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.5 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities (Continued)

Financial guarantee contracts

The Company has issued corporate guarantees to banks and other financial institutions for facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks and other financial institutions if these subsidiaries breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Raw materials comprise purchase costs accounted for on a weighted average basis. Work-in-progress and finished goods comprise cost of direct 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.

Based on the Group's policy, the inventories will be written off if they are aged more than 3 years. Where necessary, allowance is provided for damage, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 *Leases* ("SFRS(I) 16"). For these leases, the Group recognises the lease payment as an expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. For right-of-use assets relates to property, plant and equipment to which the Group applies the revaluation model, the Group elected not to apply the revaluation model to all of the right-of-use assets that relate to that class of property, plant and equipment.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within "property, plant and equipment".

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Leases (Continued)

- amounts expected to be payable under a residual value guarantee,

- the exercise price under a purchase option that the Group is reasonably certain to exercise, and

- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

A provision is recognised for onerous contracts when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it and is measured at the lower of the cost of fulfilling it and any expected cost of terminating it. In determining the cost of fulfilling the contract, the Group includes both the incremental costs and an allocation of others costs that relate directly to fulfilling contracts. Before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets used in fulfilling the contract.

Warranty provisions

Provisions for warranty related costs are recognised when the product is sold or services provided. Initial recognition is based on historical experience. The initial estimate of warranty related costs is revised annually.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

2.20 Contingencies

A contingent liability is:

(i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(ii) a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who makes strategic decisions.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.1 Critical judgements made in applying the Group's accounting policies

Determination of functional currency

The Group translates foreign currency items into the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities, judgement is used by the Group to determine the currency of the primary economic environment in which the respective entities operate. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

Capitalisation of development expenditure

The Group follows the guidance of SFRS(I) 1-38 *Intangible Assets* ("SFRS(I) 1-38") in determining the amount and nature of development expenditure to be capitalised as development costs. This determination requires significant judgement. The Group assesses, 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.

3.2 Key sources of estimation uncertainty

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.

Impairment assessment of development expenditure

The Group determines whether there is any indication development expenditure may be impaired at least on an annual basis. Irrespective of whether there is any indication of impairment, the Group also performed impairment assessment annually for development expenditure not yet available for use by comparing its carrying value with its recoverable amount. This requires an estimation of the probable future economic benefits that are expected to be generated by the products, applications and processes that are developed by the Group.

The Group's assessments are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 *Impairment of Assets* ("SFRS(I)1-36") by forecasting the expected future cash flows for a period of up to 10 years, using a suitable discount rate in order to calculate the present value of those cash flows. In determining the value-in-use, the Group has considered the key inputs, including the discount rate and growth rate, as well as key assumptions applied. The discounted cash flows are derived from the budget prepared by the management and approved by the Board of Directors and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to sales quantities forecasted for the existing products and the growth rate used for extrapolation purposes.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Impairment assessment of development expenditure (Continued)

In preparing the budgets, management also assumed competitive but stable market conditions and continued acceptability of products sold. The carrying value of the Group's development expenditure as at 31 March 2025 is US$8,356,000 (2024: US$8,147,000). There is no impairment loss recognised in respect of its development expenditure as at 31 March 2025 and 2024. Further details of the key assumptions applied in the impairment assessment of development expenditure are disclosed in Note 15.

Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items, that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 March 2025 was US$8,688,000 (2024: US$7,277,000) (Note 18).

Measurement of ECL of trade receivables

The Group assesses its trade receivables on an individual basis for any expected credit loss by considering all reasonable and supportable information, such as past events, current conditions and forecasts of future economic conditions of each debtor. The expected loss allowance on the Group's trade receivables as at 31 March 2025 is US$47,000 (2024: US$3,000) (Note 40).

Measurement of ECL of amounts due from subsidiaries

The Company uses amongst other factors, the financial position of the subsidiaries, the past financial performance and cash flow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in. Impairment on these balances has been measured on 12–months expected loss basis which reflects low credit risk of the exposures. Using 12-month ECL, the expected loss allowance on the Company's amounts due from subsidiaries as at 31 March 2025 is US$46,000 (2024: US$46,000) (Note 40).

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Group's and the Company's investments are impaired. Where necessary, the Group's and Company's assessments are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. In determining the value-in-use, the Company has considered the key inputs, including the discount rate and growth rate, as well as key assumptions applied. The Company's carrying amount of investments in subsidiaries as at 31 March 2025 was US$19,085,000 (2024: US$19,085,000) (Note 13).

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Useful lives of development expenditure

The cost of development expenditure is amortised on a straight-line basis over their respective estimated useful lives. Management estimates the useful lives to be 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 charges could be revised. The carrying amount of the Group's development expenditure included as intangible assets as at 31 March 2025 was US$8,356,000 (2024: US$8,147,000) (Note 15).

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset was already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's property, plant and equipment at 31 March 2025 was US$1,058,000 (2024: US$903,000) (Note 12).

Fair value of redeemable convertible bonds

Redeemable convertible bonds are measured at fair value at initial recognition and designated to be measured subsequently at fair value through profit or loss. The key inputs contributing to the estimation uncertainty include Group's share price volatility impact the valuation of the entire financial instruments, implied bond yield rates applied to future cash flows and uncertainties regarding the Group's financial performance. The Group had applied binomial model to estimate the fair values of the bonds with conversion, redemption and warrants option. The carrying amount of the Group's redeemable convertible bonds as at 31 March 2025 was US$3,484,000 (2024: US$3,396,000) (Note 29).

Fair value of convertible loan notes

Convertible loan notes are measured at fair value at initial recognition and designated to be measured subsequently at fair value through profit or loss. The key inputs contributing to the estimation uncertainty include Group's share price volatility impact the valuation of the entire financial instruments, implied bond yield rates applied to future cash flows and uncertainties regarding the Group's financial performance. The Group had applied binomial model to estimate the fair values of the loan notes with conversion, redemption and warrants option. The warrants option has been bifurcated and thus has been accounted for derivative financial liabilities separately. (see below – fair value of derivative financial liabilities). The carrying amount of the Group's convertible loan notes as at 31 March 2025 was US$766,000 (2024: US$707,000) (Note 28).

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Fair value of derivative financial liabilities

Where the fair values of derivative financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using black scholes model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values. The judgements include considerations of liquidity and model inputs regarding the financial performance of the Group, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of derivative financial liabilities is described in more details in Note 41.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and capital allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future cash inflows based on expected revenues from existing orders and contracts for the next year.

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised on unused tax losses and capital allowances. The carrying amount of the Group's deferred tax assets as at 31 March 2025 was US$377,000 (2024: US$Nil) (Note 16).

4. REVENUE

	Group	
	2025	**2024**
	US$'000	**US$'000**
Sale of finished products and components	14,762	11,848
Design service income	766	925
	15,528	12,773

4. REVENUE (CONTINUED)

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations and expected to be realised in the following financial years:

	2025 US$'000	2024 US$'000
Within one year	9,201	6,572

The disaggregation of revenue from contracts with customers is as follows:

	Reportable segments					
	Sale of finished products and components		Design service income		Total	
	2025 US$'000	2024 US$'000	2025 US$'000	2024 US$'000	2025 US$'000	2024 US$'000
Geographical market[a]						
Europe, Middle East and Africa ("EMEA")	737	727	–	–	737	727
America	4,991	4,703	–	–	4,991	4,703
Asia Pacific	9,034	6,418	766	925	9,800	7,343
	14,762	11,848	766	925	15,528	12,773
Timing of revenue recognition						
Goods transferred at a point in time	14,762	11,848	–	–	14,762	11,848
Services transferred at a point in time	–	–	766	925	766	925
	14,762	11,848	766	925	15,528	12,773

(a) The disaggregation is based on the region of customers from which revenue was generated.

5. OTHER OPERATING INCOME

	Group	
	2025 US$'000	2024 US$'000
Government grants received*	597	93
Gain on liquidation of subsidiary (Note 13)	115	–
Fair value gain on derivative financial liabilities (Note 41)	41	–
Foreign exchange gain, net	8	–
One-off payload service fee income to a third party	182	–
Others	27	–
Payables written off **	–	213
Fair value gain on financial liabilities at FVTPL, net	–	92
Interest income	–	1
	970	399

* Included in government grants is an amount of US$534,370 (2024: US$Nil) recognised during the financial year under Economic Development Board's Research and Development Scheme and Enterprise Singapore's Innovation and Productivity initiatives.

** Payables written off pertain to the written off of long outstanding payables that exceed a duration of 6 years in accordance with Singapore Limitation Act 1959.

6. OTHER OPERATING EXPENSES

	Group	
	2025 US$'000	2024 US$'000
Amortisation of intangible assets (Note 15)	941	601
Depreciation of property, plant and equipment (Note 12)	407	375
Allowance for stock obsolescence (Note 18)	477	–
Laboratory usage	271	165
Fair value loss from financial liabilities at FVTPL, net	132	–
Office expenses	115	119
Repairs and maintenance	102	156
Utilities	46	56
Foreign exchange loss, net	–	47
Fair value loss from quoted equity investment	–	17
Fair value loss on derivative financial liabilities (Note 41)	–	8
Inventories written off (Note 18)	16	103
Withholding taxes	–	63
Other receivables written off	1	–
Property, plant and equipment written off	2	–
Others	13	51
	2,523	1,761

7. FINANCE EXPENSES

	Group	
	2025 US$'000	2024 US$'000
Interest on bills payable	20	45
Interest on convertible loan notes	90	32
Interest on redeemable convertible bonds	231	224
Interest on loans	72	270
Interest on late payment to service providers	4	48
Interest on lease liabilities	17	15
Loan facilities fees	32	88
	466	722

8. PROFIT BEFORE INCOME TAX

The following charges were included in the determination of profit before income tax:

	Note	Group	
		2025 US$'000	2024 US$'000
Directors' remuneration of the Group			
- Remuneration and contribution to defined contribution plans	37	308	216
- Directors' fees	37	156	187
Employee benefits expense*		3,524	3,474
Operating lease expenses		101	100
Inventories recognised as an expense in cost of sales	18	4,394	4,615
Professional fee		565	327
Provision for expected credit loss on trade receivables	40	44	3

* This includes the amount shown as directors' remuneration.

9. INCOME TAX (CREDIT)/EXPENSE

	Group	
	2025 US$'000	2024 US$'000
Current tax expense:		
- Current financial year	19	–
Deferred tax expense:		
- Origination and reversal of temporary differences	(341)	30
Income tax (credit)/expense	(322)	30

Reconciliation of effective tax rate is as follows:

	Group	
	2025 US$'000	2024 US$'000
Profit before income tax	1,631	307
Tax at the applicable tax rate of 17%	277	52
Tax effects of:		
- Expenses not deductible for tax purposes	496	243
- Income not subject to tax	(246)	(130)
- Different tax rates in other countries	1	(12)
- Deferred tax assets not recognised	10	107
- Utilisation of deferred tax assets previously not recognised	(828)	(230)
- Tax concessions	(32)	–
Income tax (credit)/expense	(322)	30

9. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

The Group has unutilised tax losses, provisions and accelerated tax depreciation, which can be carried forward indefinitely and used to offset against future taxable income subject to meeting certain statutory requirements. The following items were not recognised as deferred tax assets due to uncertainty of its recoverability.

	Group	
	2025 US$'000	**2024 US$'000**
Unutilised tax losses	60,472	65,492
Provisions	190	168
Accelerated tax depreciation	3,298	3,114
	63,960	68,774

The reconciliation of effective tax rate is prepared by aggregating separate reconciliations for each national jurisdiction.

The Company and Singapore subsidiaries

The Company and Singapore subsidiaries are subject to an applicable tax rate of 17%.

Hong Kong

The subsidiary is subject to an applicable tax rate of 8.25% to 16.5% (2024: 8.25% to 16.5%).

10. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the financial year. The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 March:

	2025	**2024**
Profit for the purpose of calculating basic and diluted earnings per share (profit for the year attributable to the Company) (US$'000)	1,953	277
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	3,242,032,092	3,242,032,092
Basic and diluted earnings per share (US$ cents)	0.06	0.01

The basic and diluted earnings per share is the same as the instruments were potentially anti-dilutive.

10. EARNINGS PER SHARE (CONTINUED)

There were no potential dilutive ordinary shares of redeemable convertible bonds, convertible loan notes and warrants. Therefore, no shares were assumed to have been issued on the deemed exercise of the Company's outstanding redeemable convertible bonds, convertible loan notes and warrants during the year ended 31 March 2025 and 2024. Accordingly, the diluted earnings per share for financial year ended 31 March 2025 and 2024 was the same as the basic earnings per share.

The weighted average number of ordinary shares for financial year ended 31 March 2025 was computed based on the issued and allotment of ordinary shares as disclosed in Note 33.

11. EMPLOYEE BENEFITS EXPENSE

	Group	
	2025	**2024**
	US$'000	**US$'000**
Employee benefits expense (including directors):		
- Salaries, bonuses and others	4,363	3,777
- Contribution to defined contribution plans	442	375
	4,805	4,152
Directors' fees	156	187
	4,961	4,339

12. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold building US$'000	Laboratory equipment US$'000	Furniture, fittings and office equipment US$'000	Computers and software US$'000	Toolings US$'000	Renovations US$'000	Total US$'000
Cost							
At 1 April 2023	189	1,321	129	1,117	976	211	3,943
Additions	581	70	3	27	46	–	727
Write off	(189)	(62)	–	(20)	(256)	–	(527)
At 31 March 2024	581	1,329	132	1,124	766	211	4,143
Additions	–	208	31	256	62	7	564
Disposal	–	–	(28)	–	–	–	(28)
At 31 March 2025	581	1,537	135	1,380	828	218	4,679
Accumulated depreciation							
At 1 April 2023	110	996	93	1,006	976	211	3,392
Depreciation charge for the financial year	192	115	18	44	6	–	375
Write off	(189)	(62)	–	(20)	(256)	–	(527)
At 31 March 2024	113	1,049	111	1,030	726	211	3,240
Depreciation charge for the financial year	194	126	16	50	21	–	407
Disposal	–	–	(26)	–	–	–	(26)
At 31 March 2025	307	1,175	101	1,080	747	211	3,621
Carrying amount							
At 31 March 2025	274	362	34	300	81	7	1,058
At 31 March 2024	468	280	21	94	40	–	903

Property, plant and equipment includes right-of-use assets of US$316,000 (2024: US$488,000) which are presented together with the owned assets of the same class as the underlying assets. Details of the right-of-use assets are disclosed in Note 31(a).

During the financial year, the Group acquired property, plant and equipment for an aggregate of approximately US$564,000 (2024: US$727,000) of which US$29,000 (2024: US$599,000) was acquired by means of a lease.

13. SUBSIDIARIES

	Company	
	2025	**2024**
	US$'000	**US$'000**
Unquoted equity shares, at cost	70,716	70,716
Less: Impairment losses	(51,631)	(51,631)
	19,085	19,085
Movement in cost of investments are as follows:		
At beginning and end of the year	70,716	70,716
Movement in allowance for impairment losses are as follows:		
At beginning and end of the year	51,631	51,631

The recoverable amount of investment in a subsidiary was determined based on the estimation of the value-in-use of the CGU by forecasting the expected future cash flows for a period up to 10 years, using a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amount calculated as the present value of estimated cash flows discounted using a discount rate of 16.4% (2024: 19.0%) is higher than the carrying amount of the investment in subsidiary. As at 31 March 2025 and 2024, there is no additional impairment loss required on the investment in a subsidiary.

13. SUBSIDIARIES (CONTINUED)

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 2025 %	2024 %
Held by the Company				
Addvalue Communications Pte Ltd[1]	Design, development and distribution of tele-communication equipment and related products	Singapore	100	100
Addvalue Innovation Pte Ltd[1]	Design, development and distribution of tele-communication equipment and related products	Singapore	100	100
Zhongxin Chuangzhi Holding Pte. Ltd[1]	Investment holding	Singapore	100	100
Addvalue Capital Pte. Ltd.[1]	Investment holding	Singapore	100	100
Addvalue Global Limited[2]	Business development, sale and marketing of satellite communication equipment (dormant)	Hong Kong	100	100
Held by Zhongxin Chuangzhi Holding Pte. Ltd.				
Zhongxin Chuangzhi (Beijing) Technology Ltd., Co.[2], [3]	Business development, sale and marketing of satellite communication equipment	People's Republic of China	–	100
Held by Addvalue Innovation Pte Ltd				
Addvalue Solutions Pte. Ltd.[1]	Design and supply of communication products and services	Singapore	100	100
Held by Addvalue Capital Pte. Ltd.				
Revere Space Inc.[2]	Business development, sale and marketing of satellite communication products and services (dormant)	United States of America	100	100

(1) Audited by Forvis Mazars LLP, Singapore.
(2) Not required to be audited by law in the country of incorporation.
(3) Deregistered on 24 May 2024.

Effects of the liquidation of a subsidiary are as follows:

	Group 2025 US$'000	2024 US$'000
Proceeds from liquidation of a subsidiary	64	–
Less: carrying amount of net liabilities as at the date of liquidation date	51	–
Gain on liquidation of a subsidiary (Note 5)	115	–

14. ASSOCIATE

	Group and Company	
	2025	2024
	US$'000	US$'000
Equity shares, at cost	*	*
Impairment losses	*	*
Carrying amount	*	*

* *Denotes amount < US$1,000*

Details of the associate are as follows:

Name of associate	Principal activities	Country of incorporation and place of business	Percentage of equity interest held by the Group		Cost of investment to the Company	
			2025	2024	2025	2024
			%	%	US$'000	US$'000
Addvalue Communications Inc ("AVCI") [1]	Ceased operations	United States of America	23	23	*	*

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

The associate, AVCI has ceased operation since 2009.

* *Denotes amount < US$1,000*

15. INTANGIBLE ASSETS

Group	Development expenditure US$'000	Intellectual properties US$'000	Computer software US$'000	Total US$'000
Cost				
At 1 April 2023	32,865	90	1,357	34,312
Additions	776	–	–	776
Written off	(2,947)	–	–	(2,947)
At 31 March 2024	30,694	90	1,357	32,141
Additions	1,150	–	–	1,150
At 31 March 2025	31,844	90	1,357	33,291
Accumulated amortisation				
At 1 April 2023	12,987	44	1,357	14,388
Amortisation charge for the financial year	601	–	–	601
Written off	(1,806)	–	–	(1,806)
At 31 March 2024	11,782	44	1,357	13,183
Amortisation charge for the financial year	941	–	–	941
At 31 March 2025	12,723	44	1,357	14,124
Accumulated impairment				
At 1 April 2023	11,952	–	–	11,952
Written off	(1,141)	–	–	(1,141)
At 31 March 2024 and at 31 March 2025	10,811	–	–	10,811
Carrying amount				
At 31 March 2025	8,310	46	–	8,356
At 31 March 2024	8,101	46	–	8,147

15. INTANGIBLE ASSETS (CONTINUED)

Included in the development expenditure is an amount of US$2,127,000 (2024: US$5,281,000) pertaining to development projects not yet available for use.

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 US$8,310,000 (2024: US$8,101,000) represents development costs incurred for the development of various core technological elements in mobile satellite communication terminals and related applications, including radio frequency and antenna design, new embedded firmware and hardware systems, digital communication and baseband processing and application firmware to ensure continual innovation, competitiveness and future proof of terminal design and related applications. The carrying value of development expenditure is expected to be recovered from probable future economic benefits that are expected to be generated from the sales of the wide portfolio of existing products and the commercial exploitation of related applications over the useful mobile satellite service lifetime. The amortisation of development expenditure amounting to US$941,000 (2024: US$601,000) was charged to other operating expenses in the consolidated statement of profit or loss and other comprehensive income.

The individual development projects of which respective carrying amounts are more than 10% of the total intangible assets in either 2025 or 2024 are as follows:

	Group	
	2025	**2024**
Carrying amount	**US$'000**	**US$'000**
Project 1	1,124	1,370
Project 2	2,914	3,234
Project 3	922	1,054
Project 4 (In progress)	1,342	668

Included in the development expenditure are the capitalisation of the employee benefits expense of US$764,000 for the current financial year (2024: US$643,000).

Impairment losses of development expenditure

For the purpose of impairment testing, development expenditure has been allocated to the Group's cash-generating units ("CGUs") as follows:

	Group	
	2025	**2024**
	US$'000	**US$'000**
Satellite communication ("Satcom")	–	12
Advance Digital Radio Solutions ("ADRS")	777	637
Space Connectivity ("SPC")	7,533	7,452
	8,310	8,101

15. INTANGIBLE ASSETS (CONTINUED)

Impairment losses of development expenditure (Continued)

The recoverable amounts of the remaining CGUs have been determined based on value-in-use using cash flow projections based on financial budgets approved by management.

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

	Satcom		ADRS		SPC	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Growth rates (1)	-33% to 0%	-3% to 47%	0% to 49%	0% to 51%	0% to 51%	0% to 59%
Discount rate (2)	17.8%	19.0%	20.0%	23.7%	21.3%	23.9%
Cash flow projections (years)	10	10	10	10	10	10

(1) Revenue annual growth rates used to extrapolate cash flows are based on past performance and the market development adjusted for the specific circumstances of the CGU and based on management's experience.

(2) The discount rate applied is based on the weighted average cost of the Group's capital (the "WACC"), adjusted for the specific circumstances of the CGUs, and based on management's experience, and grossed-up to arrive at the pre-tax rate.

Based on the value-in-use, no impairment losses was recognised in "Other operating expenses" for the financial years ended 31 March 2025 and 2024.

Sensitivity analysis for impairment losses of development expenditure

The Group expects certain products to be competitive and if sales achieved in the forecast year dropped from 15% (2024: 15%) from the Group's forecasted quantities, with other assumptions remaining constant, the carrying amount of certain developments will show additional impairment losses of the CGUs as follow:

	Group	
	Carrying amount	**Additional impairment loss**
	US$'000	**US$'000**
2025		
Satcom	–	–
ADRS	777	–
SPC	7,533	–
2024		
Satcom	12	–
ADRS	637	–
SPC	7,452	–

16. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2025	2024
	US$'000	US$'000
Deferred tax assets	377	–
Deferred tax liabilities	(1,421)	(1,385)

The components and movement of deferred tax assets and deferred tax liabilities during the financial year are as follows:

Group	Tax losses (Note (a))	Development expenditure	Total
	US$'000	US$'000	US$'000
At 1 April 2023	–	(1,355)	(1,355)
Recognised in the profit or loss			
- Relates to origination and reversal of temporary differences (Note 9)	–	(30)	(30)
At 31 March 2024	–	(1,385)	(1,385)
Recognised in the profit or loss			
- Relates to origination and reversal of temporary differences (Note 9)	377	(36)	341
At 31 March 2025	377	(1,421)	(1,044)

(a) Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

17. TRADE RECEIVABLES

	Group	
	2025	2024
	US$'000	US$'000
Trade receivables	3,852	3,587
Less: loss allowance (Note 40)	(47)	(3)
	3,805	3,584
Presented by:		
Non-current	106	–
Current	3,699	3,584
	3,805	3,584

The Group's trade receivables are non-interest bearing and are generally ranging from 0 to 30 (2024: 0 to 60) days term except for the trade receivable amounted to US$106,000 (2024: US$Nil), which is expected to be recovered in financial year ending 31 March 2027. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

18. INVENTORIES

	Group	
	2025	2024
	US$'000	US$'000
Finished goods	558	881
Raw materials	6,990	5,656
Semi-finished goods	1,140	740
	8,688	7,277

The cost of inventories recognised as an expense and included in "cost of sales" amounted to US$4,394,000 (2024: US$4,615,000). Finished goods, raw materials and semi-finished goods of the Group are stated at cost after the write-off of inventories of US$16,000 (2024: US$103,000), included in "Other operating expenses" (Note 6).

A write-down of inventories to net realisable value of US$477,000 (2024: US$Nil) was made during the year.

19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2025	2024	2025	2024
	US$'000	US$'000	US$'000	US$'000
Deposits	173	159	13	–
Other receivables	1	222	1	–
Prepayments	758	1,076	10	10
	932	1,457	24	10

The Group's and Company's other receivables are unsecured, non-interest bearing and repayable on demand.

Prepayment mainly pertains to prepayment made to suppliers for the purchase of goods and other miscellaneous expenses.

20. OTHER INVESTMENT

	Group and Company	
	2025	2024
	US$'000	US$'000
Quoted equity investment – at FVTPL	–	2

The quoted equity instrument classified at FVTPL and is denominated in United States dollar. The fair values of this instrument are based on closing quoted market prices on the last market day of the financial year. The other investment has been disposed during the year.

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

These non-trade balances are unsecured, interest-free and repayable on demand.

22. CASH AND BANK BALANCES

	Group		Company	
	2025	2024	2025	2024
	US$'000	US$'000	US$'000	US$'000
Cash at bank	1,506	535	14	1
Cash in hand	*	*	–	–
Cash and bank balances	1,506	535	14	1

Cash at banks earns interest at floating rates based on daily bank deposit rates.

* *Denotes amount < US$1,000*

23. TRADE PAYABLES

	Group	
	2025	2024
	US$'000	US$'000
Trade payables		
- Third parties	4,156	4,623

Trade payables are non-interest bearing and the average credit period on purchases of supplies and services ranges from 31 to 60 days (2024: 31 to 60 days) according to the terms agreed with the suppliers.

24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2025	2024	2025	2024
	US$'000	US$'000	US$'000	US$'000
Accrued operating expenses				
- Employee benefits	1,027	962	–	–
- Directors' fees (1)	16	52	16	52
- Others	832	425	357	333
Other payables	581	977	420	574
	2,456	2,416	793	959

(1) These amounts represented unpaid directors' fees which are unsecured, interest-free and repayable on demand.

Other payables are non-interest bearing and the average credit period on purchases of supplies and services ranges from 31 to 60 (2024: 31 to 60) days according to the terms agreed with the suppliers.

25. PROVISIONS

	Group		Company	
	2025 US$'000	2024 US$'000	2025 US$'000	2024 US$'000
Directors' fees	156	187	156	187
Warranty	14	25	–	–
	170	212	156	187

Provision for directors' fees represents the amounts proposed for the current financial year and is subject to the shareholders' approval at the forthcoming annual general meeting of the Company.

The Group provides from 1 to 2 years warranty on most products under which faulty products are repaired or replaced. The amount of the provision is based on the sales volume and experience with the level of repairs and returns.

Group	Directors' fees US$'000	Warranty US$'000	Total US$'000
2025			
At beginning of financial year	187	25	212
Provision	156	–	156
Utilisation	(187)	(11)	(198)
At end of financial year	156	14	170
2024			
At beginning of financial year	160	18	178
Provision	187	16	203
Utilisation	(160)	(9)	(169)
At end of financial year	187	25	212

Company	Directors' fees US$'000
2025	
At beginning of financial year	187
Provision	156
Utilisation	(187)
At end of financial year	156
2024	
At beginning of financial year	160
Provision	187
Utilisation	(160)
At end of financial year	187

26. BORROWINGS

	Group		Company	
	2025	2024	2025	2024
	US$'000	US$'000	US$'000	US$'000
Due within one year				
Loans (Note 27)	236	100	–	–
Bills payable	–	467	–	–
Convertible loan notes (Note 28)	766	–	766	–
	1,002	567	766	–
Due after one year or more				
Convertible loan notes (Note 28)	–	707	–	707
Redeemable convertible bonds (Note 29)	3,484	3,396	3,484	3,396
	3,484	4,103	3,484	4,103
	4,486	4,670	4,250	4,103
Total borrowings				
Loans (Note 27)	236	100	–	–
Convertible loan notes (Note 28)	766	707	766	707
Bills payable	–	467	–	–
Redeemable convertible bonds (Note 29)	3,484	3,396	3,484	3,396
	4,486	4,670	4,250	4,103

Bills payable relate to short-term trade finance loans, bear a fixed interest rate of 1.1% to 1.5% (2024: 1.1% to 1.5%) per month and repayable on maturity date. The bills payable is jointly and severally guaranteed by a director of the Company.

The bills payable has been fully repaid during the year.

27. LOANS

	Group	
	2025	2024
	US$'000	US$'000
Due within one year		
Loan 1 (unsecured)	–	63
Loan 2 (unsecured)	–	18
Loan 3 (unsecured)	–	19
Loan 4 (unsecured)	236	–
	236	100

Loan 1 (unsecured)

Loan 1 was obtained by a subsidiary of the Company from a third-party company in FY2024 and is denominated in Singapore dollar, bears a fixed interest rate at 1.2% per month and is unsecured and repayable in 12 monthly instalments. The loan is guaranteed by the holding company.

The loan has been fully repaid during the year.

Loan 2 (unsecured)

Loan 2 was obtained by a subsidiary of the Company from a third-party company in FY2024 and is denominated in Singapore dollar, bears a fixed interest rate at 3.0% per month and is unsecured and repayable in 6 monthly instalments. The loan is guaranteed by the holding company.

The loan has been fully repaid during the year.

Loan 3 (unsecured)

Loan 3 was obtained by a subsidiary of the Company from a third-party company in FY2024 and is denominated in Singapore dollar, bears a fixed interest rate at 3.0% per month and is unsecured and repayable in 4 monthly instalments. The loan is guaranteed by the holding company.

The loan has been fully repaid during the year.

Loan 4 (unsecured)

Loan 4 was obtained by a subsidiary of the Company from a third-party company during the financial year and is denominated in Singapore dollar, bears a fixed interest rate at 1.2% per month and is unsecured and repayable in 12 monthly instalments. The loan is guaranteed by the holding company.

28. CONVERTIBLE LOAN NOTES ("CLN")

	Group and Company	
	2025	2024
	US$'000	US$'000
Current liability		
Financial liability at FVTPL		
Convertible loan notes 1	382	344
Convertible loan notes 2	384	363
	766	707
Fair value of CLN and warrants on initial recognition	760	760
Derivative liability component on initial recognition	(66)	(66)
Liability component on initial recognition	694	694
Fair value loss	73	16
Exchange difference	(1)	(3)
	766	707

	Group and Company	
	2025	2024
Presented by:	US$'000	US$'000
Non-current	–	707
Current	766	–
	766	707

Convertible loan notes 1 and 2

In 2024, the Company issued CLN in the aggregate principal amount of S$507,000 ("Convertible Loan Notes 1") and S$513,500 ("Convertible Loan Notes 2") respectively (approximately US$760,000 in aggregate), with an aggregate of 39,000,000 and 39,500,000 free detachable warrants (Note 29) respectively. The loan notes have a maturity of 24 months from its date of issue, and it shall bear a fixed interest of 9% per annum on its outstanding principal amount from the issued date, payable semi-annually in arrears.

The CLN comes with a redeemable feature, which allows the Company to redeem the CLN after the issue date till the maturity date.

The CLN are convertible at the option of the holders into 78,500,000 new ordinary shares in the capital of the Company at a conversion price of S$0.013 per conversion share, subjected to adjustments under certain situations, at any time from the issue date up to the date falling three business days prior to the maturity date.

The Company shall on the maturity date, redeem the CLN from the holders by repaying the outstanding loan principal in full and all interest that remain outstanding.

The instrument contains an embedded derivative and the Company has designated the entire instrument at fair value through profit or loss on initial recognition. As such, the embedded derivative is not separated.

29. REDEEMABLE CONVERTIBLE BONDS

	Group and Company	
	2025	**2024**
	US$'000	**US$'000**
Non-current liability		
Financial liability at FVTPL		
Redeemable convertible bonds	3,484	3,396
At beginning of financial year	3,396	3,561
Fair value loss/(gain)	75	(109)
Exchange difference	13	(56)
At end of financial year	3,484	3,396

On 4 November 2022 (the "Completion Date"), the Company issued redeemable convertible bonds (the "bonds") with principal amount of S$5.0 million (approximately US$3.6 million) at a discounted price of S$0.931. The bonds have a maturity of 60 months from its date of issue and bear a fixed interest rate of 6% per annum on the amount outstanding under the bonds, which is payable on semi-anniversary of the Completion Date until the bonds principal is fully repaid.

The bonds come with a redeemable feature, which allows the Company to redeem the bonds after the third anniversary of the issue date till the maturity date.

The bonds are also convertible at the option of the holders into 294,490,588 new ordinary shares in the capital of the Company (the "conversion shares") at a fixed conversion price of S$0.017 per conversion share, subjected to adjustments under certain situations, at any time after completion date but not less than 10 days prior to the maturity date.

The Company shall on the maturity date, redeem the bonds from the holders by repaying the outstanding loan principal in full and all interest that remain outstanding.

The instrument contains an embedded derivative and the Company has designated the entire instrument at fair value through profit or loss on initial recognition. As such the embedded derivative is not separated.

30. DERIVATIVE FINANCIAL LIABILITIES

	Group and Company	
	2025	2024
	US$'000	US$'000
Warrant liabilities	33	74

The warrants are exercisable at the option of the holders into 78,500,000 new ordinary shares in the capital of the Company at a subscription price of S$0.013 per warrant shares at any time during the period commencing on and including the date of issue of the Warrants and expiring on the date immediately preceding second anniversary of the date of issue of the Warrants.

31. THE GROUP AS A LESSEE

The Group leases industrial building and office equipment for three to five years.

Recognition exemptions

The Group has lease of office building and office equipment with lease terms of 12 months. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

31(a) Right-of-use assets

The carrying amount of right-of-use assets by class of underlying asset classified within property, plant and equipment as follows:

	Leasehold buildings	Furniture, fittings and office equipment	Total
	US$'000	US$'000	US$'000
Group			
At 1 April 2023	79	9	88
Addition	581	18	599
Depreciation	(192)	(7)	(199)
At 31 March 2024	468	20	488
Addition	–	29	29
Written off	–	(2)	(2)
Depreciation	(194)	(5)	(199)
At 31 March 2025	274	42	316

The total cash outflow for leases during the financial year ended 31 March 2025 is US$232,000 (2024: US$209,000).

31. THE GROUP AS A LESSEE (CONTINUED)

31(b) Lease liabilities

	Group	
	2025	**2024**
	US$'000	**US$'000**
Lease liabilities - non-current	86	287
Lease liabilities - current	223	209
	309	496

The maturity analysis of lease liabilities is disclosed in Note 40.

31(c) Amounts recognised in profit or loss

	Group	
	2025	**2024**
	US$'000	**US$'000**
Interest expense on lease liabilities	17	15

32. CONTRACT LIABILITIES

Contract liabilities relate to advances received for sales of goods. Revenue for sales of goods is recognised at the point in time although the customer pays for the services at the contract inception date. A contract liability is recognised for the advances received from the customers and is recognised as and when the performance obligation is satisfied.

Contract liabilities for the financial years ended 31 March 2025 and 2024 increased due to more advances received with the new order of contracts during the financial year.

The Group's revenue recognised in the financial years that was included in the contract liabilities balance at the beginning of the respective financial years is as follows:

	Group	
	2025	**2024**
	US$'000	**US$'000**
Amounts included in contract liabilities at the beginning of the financial year		
- Sales of goods	1,896	780

33. SHARE CAPITAL

	Company			
	2025		2024	
	Number of ordinary shares	US$'000	Number of ordinary shares	US$'000
Issued and fully paid:				
At beginning and end of financial year	3,242,032,092	89,483	3,242,032,092	89,483

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividend as and when declared by the Company.

34. CAPITAL RESERVE

	Group	
	2025	2024
	US$'000	US$'000
At beginning and end of financial year	747	747
Representing non-distributable reserve		
Redemption of preference shares out of profits of a subsidiary *	747	747

* This amount arose from redemption of preference shares issued by a subsidiary in financial year 2012.

35. STATUTORY RESERVE

One of the Group's subsidiaries follows PRC GAAP applicable to foreign-owned enterprise in the preparation of its accounting records and statutory financial statements. According to the Articles of Association of the subsidiary, it is required to transfer certain amounts from its profits after tax to statutory reserve. The transfers to the reserve must be made before the distribution of dividends to equity owners. The percentage of appropriation is at the discretion of the directors of the subsidiary. The appropriation is required until the statutory reserve reaches 50% of the registered capital. This statutory reserve is not distributable in the form of cash dividends.

During the year, the Group release the statutory reserve upon liquidation of the subsidiary once all obligations have been fulfilled.

36. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group, as well as from the translation of foreign currency loans which form part of the Group's net investments in foreign operations.

37. SIGNIFICANT RELATED PARTY TRANSACTIONS

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly, including any director (whether executive or otherwise) of that company.

The effect of the Group's and Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

37. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the financial year was as follows:

	Group	
	2025 US$'000	2024 US$'000
Salaries, bonus and others	1,194	1,153
Contribution to defined contribution plans	71	66
Directors' fees	156	187
Total compensation paid/payable to key management personnel	1,421	1,406
Comprised of amount proposed or due to:		
Directors of the Company		
- Directors' fees	156	187
- Remuneration and contribution to defined contribution plans	308	216
	464	403
Other key management personnel	957	1,003
	1,421	1,406

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

Outstanding balances owing to the directors of the Company are disclosed in Notes 24 and 25 respectively. There have been no other related party transactions entered into during the financial year.

38. CONTINGENT LIABILITIES

As at 31 March 2025, the Company has given guarantees amounting to US$236,000 (2024: US$250,000) to certain financial institutions in respect of facilities granted to one of the subsidiaries of the Group.

The Company has not recognised any liability in respect of the guarantees given to the financial institutions for the facilities granted to one of the subsidiaries of the Group as the Company's directors have assessed that the possible amount is not material, and it is not probable that the subsidiaries will default on repayment.

As at the end of the financial year, the total amount of loans drawn-down and outstanding covered by the guarantees are US$236,000 (2024: US$100,000). Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective financial institutions if the subsidiary to which the guarantees were extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilisation of the facility.

As at the end of the financial year, the Company had also given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

39. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their geographical areas as the Group's risks and rates of return are affected predominantly by geographical areas.

The Group is engaged in a single business of sales of telecommunication equipment and related products and components and provision of related design services. During the reporting years, the Group has three 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: EMEA included sales made to customers based in Spain, United Kingdom, United Arab Emirates ("UAE"), Belgium, Italy and other countries within the region;

- Segment 2: America included sales made to customers based in United States of America and other countries within the region;

- Segment 3: Asia Pacific included sales made to customers based in Singapore, Malaysia, Korea, China, Philippines, Australia, Japan and other countries within the region.

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

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's 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 no 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.

The Group operates from Asia Pacific region. Segment assets and liabilities for other segments (EMEA and America) mainly includes the balances with the customers or suppliers located in the respective regions. Other segment assets (mainly comprising intangible assets, property, plant and equipment and inventories) and other segment liabilities are presented based on its location, being the Asia Pacific region.

39. SEGMENT INFORMATION (CONTINUED)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.21.

2025	EMEA US$'000	America US$'000	Asia Pacific US$'000	Consolidated US$'000
Revenue				
Total revenue from external customers	737	4,991	9,800	15,528
Gross profit	384	2,603	5,109	8,096
Other operating income				970
Overhead expenses*				(6,969)
Finance expenses				(466)
Profit before income tax				1,631
Income tax credit				322
Profit for the year				1,953
Segment assets				
- Segment assets	12	1,256	23,077	24,345
- Deferred tax assets	–	–	377	377
Total assets				24,722
Segment liabilities				
- Segment liabilities	47	285	14,931	15,263
- Deferred tax liabilities	–	–	1,421	1,421
Total liabilities				16,684
Other information:				
Capital expenditure				
- Property, plant and equipment (1)	–	–	535	535
- Intangible assets	–	–	1,150	1,150
Depreciation and amortisation**	64	433	851	1,348

* Overhead expenses mainly represent selling and distribution expenses, administrative expenses, provision for expected credit loss on trade receivables and other operating expenses, which are not directly attributable to revenue generated from customers.

** Depreciation and amortisation were allocated based on revenue contribution from each segment.

(1) Excluding additions of right-of-use assets of US$29,000.

39. SEGMENT INFORMATION (CONTINUED)

2024	EMEA US$'000	America US$'000	Asia Pacific US$'000	Consolidated US$'000
Revenue				
Total revenue from external customers	727	4,703	7,343	12,773
Gross profit	382	2,470	3,857	6,709
Other operating income				399
Overhead expenses*				(6,079)
Finance expenses				(722)
Profit before income tax				307
Income tax expense				(30)
Profit for the year				277
Segment assets				
- Segment assets	125	2,280	19,500	21,905
Segment liabilities				
- Segment liabilities	326	490	13,571	14,387
- Deferred tax liabilities	–	–	1,385	1,385
Total liabilities				15,772
Other information				
Capital expenditure				
- Property, plant and equipment [1]	–	–	128	128
- Intangible assets	–	–	776	776
Depreciation and amortisation**	56	359	561	976

* Overhead expenses mainly represent selling and distribution expenses, administrative expenses, provision for expected credit loss on trade receivables and other operating expenses, which are not directly attributable to revenue generated from customers.

** Depreciation and amortisation were allocated based on revenue contribution from each segment.

(1) Excluding additions of right-of-use assets of US$599,000.

39. SEGMENT INFORMATION (CONTINUED)

Non-current assets of the Group are located in Singapore. Revenue from external customers is mainly derived from sales of Satcom, SPC and ADRS embedded platform and services. Breakdown of the revenue is as follows:

	Group	
	2025 US$'000	2024 US$'000
SPC product and related services	8,437	6,552
ADRS embedded platform and related services	6,174	4,818
Satcom product and related services	151	442
Design services and others	766	961
	15,528	12,773

The countries from which the Group derives revenue are mainly as follows:

	Revenue	
	2025 US$'000	2024 US$'000
Country of domicile		
- Singapore	6,935	6,161
Foreign countries		
- United States of America	4,501	4,670
- Korea	–	5
- UAE	4	13
- United Kingdom	25	230
- China	142	156
- Australia	26	161
- Malaysia	1	7
- Spain	3	4
- Japan	2,684	1,132
- Denmark	18	164
- Italy	300	–
- Belgium	302	–
- Uruguay	490	–
- Others*	97	70
	15,528	12,773

* Others comprise Cyprus, France, Indonesia, Thailand, Hong Kong, etc.

Major customers

In 2025, revenue of the Group was attributable to major customers based in Singapore (2024: Singapore) amounted to US$6,486,000 (2024: US$5,189,000).

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

The Group's activities expose it to credit risk, market risks (including foreign currency risk and interest rate risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group's and Company's major classes of financial assets are cash and bank balances and trade and other receivables. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per SFRS(I) 9's presumption.

Due to the nature of the industry that the Group operates in where repayment periods are generally longer and the industry and Group's customary practise, the Group has rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due. The Group has determined that there has been a significant increase in credit risk since initial recognition when financial assets are more than 90 days past due.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Credit risk (Continued)

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk [Note 1]	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 90 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition [Note 2] or financial asset is > 90 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired [Note 3]	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount [Note 4]	Written-off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 90 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Credit risk (Continued)

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cash flows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

With reference to Note 27, the Company provides financial guarantees to certain banks and other financial institutions in respect of facilities granted to one of its subsidiaries. The date when the Group becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Group considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantees is insignificant to the Company.

As at the end of the financial year, there was significant concentration of credit risk. Trade receivables from 6 (2024: 3) customers accounted for approximately 83% (2024: 79%) of total trade receivables of the Group. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Credit risk (Continued)

Trade receivables (Note 17)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (eg. Singapore, United States of America, Japan) and the growth rates of the major industries which its customers operate in.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

The age analysis of trade receivables is as follows:

	Group	
	2025	**2024**
	US$'000	**US$'000**
Not past due and not impaired	2,344	2,000
- Past due 0 to 3 months	1,460	1,583
- Past due 3 to 6 months	1	-
- Past due more than 6 months	-	1
Past due but not impaired	1,461	1,584
	3,805	3,584
Past due and impaired	47	3
	3,852	3,587

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Credit risk (Continued)

Other receivables (Note 19)

As of 31 March 2025, the Group recorded gross other receivables and deposits of US$1,000 and US$173,000 (2024: US$222,000 and US$159,000) respectively. The Group assessed the loss allowance of these amounts on a lifetime ECL basis consequent to their assessment and conclusion that these other receivables and deposits are of low credit risk. In its assessment of the credit risk of the other receivables, the Group considered amongst other factors, the financial position of the other receivables as of 31 March 2025, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the receivables operate in. Using lifetime ECL, the Group determined that the ECL is US$Nil (2024: US$Nil).

Due from subsidiaries (Note 21)

As of 31 March 2025, the Company recorded other receivables from subsidiaries of US$7,580,000 (2024: US$8,321,000) consequent to an extension of loans to the subsidiaries. The Company assessed the loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of the subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 31 March 2025, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in. Using 12-month ECL, the Company determined that the ECL is US$46,000 (2024: US$46,000).

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade and other receivables is as follows:

	Trade receivables				Other receivables			
Internal credit risk grading	**Note (i)**	**Category 3**	**Category 5**	**Total**	**Category 1**	**Category 3**	**Category 5**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Loss allowance								
Balance at 1 April 2023	–	6,000	–	6,000	–	381	–	381
Transfer	–	(6,000)	6,000	–	–	(381)	381	–
Written off	–	–	(6,000)	(6,000)	–	–	(381)	(381)
Loss allowance recognised	–	3	–	3	–	–	–	–
Balance at 31 March 2024	–	3	–	3	–	–	–	–
Loss allowance recognised	–	44	–	44	–	–	–	–
Balance at 31 March 2025	–	47	–	47	–	–	–	–
Gross carrying amount								
At 31 March 2024	3,584	3	–	3,587	381	–	–	381
At 31 March 2025	3,805	47		3,852	174	–	–	174
Net carrying amount								
At 31 March 2024	3,584	–	–	3,584	381	–	–	381
At 31 March 2025	3,805	–	–	3,805	174	–	–	174

Note (i) For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Company's exposure to credit risk in respect of the amounts due from subsidiaries is as follows:

Internal credit risk grading	Amounts due from subsidiaries	
	Category 1	**Total**
	US$'000	**US$'000**
Loss allowance		
Balance at 1 April 2023, 31 March 2024 and 31 March 2025	46	46
Gross carrying amount		
At 31 March 2024	8,367	8,367
At 31 March 2025	7,626	7,626
Net carrying amount		
At 31 March 2024	8,321	8,321
At 31 March 2025	7,580	7,580

Market risks

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The Group is exposed to foreign currency risk on certain income, expenses, monetary assets and liabilities that are denominated in currencies other than the functional currencies of the respective entities in the Group. The currencies giving rise to this risk are Singapore dollar, Euro, Chinese Renminbi, British Sterling Pound and Malaysian Ringgit.

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Market risks (Continued)

Foreign currency risk (Continued)

The carrying amounts of the Group's and of the Company's foreign currency denominated financial assets and financial liabilities as at the end of the financial year are as follows:

Group 2025	United States dollar US$'000	Singapore dollar US$'000	Euro US$'000	Renminbi US$'000	Others* US$'000	Total US$'000
Financial assets						
Trade receivables	1,815	1,989	–	1	–	3,805
Other receivables and deposits	13	161	–	–	–	174
Cash and bank balances	778	566	–	–	162	1,506
	2,606	2,716	–	1	162	5,485
Financial liabilities						
Trade payables	3,864	292	–	–	–	4,156
Other payables and accruals	235	2,179	4	–	38	2,456
Borrowings	–	4,486	–	–	–	4,486
Derivative financial liabilities	–	33	–	–	–	33
Lease liabilities	–	309	–	–	–	309
	4,099	7,299	4	-	38	11,440
Net financial (liabilities)/assets	(1,493)	(4,583)	(4)	1	124	(5,955)
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	1,493	–	–	(1)	–	1,492
Foreign currency exposure	-	(4,583)	(4)	-	124	(4,463)

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Market risks (Continued)

Foreign currency risk (Continued)

Group 2024	United States dollar US$'000	Singapore dollar US$'000	Euro US$'000	Renminbi US$'000	Others* US$'000	Total US$'000
Financial assets						
Trade receivables	3,462	121	–	1	–	3,584
Other receivables and deposits	1	378	–	2	–	381
Other investment	2	–	–	–	–	2
Cash and bank balances	305	165	–	65	–	535
	3,770	664	–	68	–	4,502
Financial liabilities						
Trade payables	4,169	351	41	–	62	4,623
Other payables and accruals	177	2,235	–	3	1	2,416
Borrowings	–	4,670	–	–	–	4,670
Derivative financial liabilities	–	74	–	–	–	74
Lease liabilities	–	496	–	–	–	496
	4,346	7,826	41	3	63	12,279
Net financial (liabilities)/assets	(576)	(7,162)	(41)	65	(63)	(7,777)
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	576	–	–	(65)	–	511
Foreign currency exposure	–	(7,162)	(41)	–	(63)	(7,266)

* Others comprise British Sterling Pound and Malaysian Ringgit.

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Market risks (Continued)

Foreign currency risk (Continued)

Company	United States dollar US$'000	Singapore dollar US$'000	Total US$'000
2025			
Financial assets			
Other receivables and deposits	13	1	14
Due from subsidiaries (non-trade)	7,580	–	7,580
Cash and bank balances	–	14	14
	7,593	15	7,608
Financial liabilities			
Other payables and accruals	31	762	793
Borrowings	–	4,250	4,250
Derivative financial liabilities	–	33	33
Due to subsidiaries (non-trade)	537	–	537
	568	5,045	5,613
Net financial assets/(liabilities)	7,025	(5,030)	1,995
Less: Net financial assets denominated in the Company's functional currency	(7,025)	–	(7,025)
Foreign currency exposure	–	(5,030)	(5,030)
2024			
Financial assets			
Other investment	2	–	2
Due from subsidiaries (non-trade)	8,321	–	8,321
Cash and bank balances	–	1	1
	8,323	1	8,324
Financial liabilities			
Other payables and accruals	–	959	959
Borrowings	–	4,103	4,103
Derivative financial liabilities	–	74	74
Due to subsidiaries (non-trade)	501	–	501
	501	5,136	5,637
Net financial assets/(liabilities)	7,822	(5,135)	2,687
Less: Net financial assets denominated in the Company's functional currency	(7,822)	–	(7,822)
Foreign currency exposure	–	(5,135)	(5,135)

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Market risks (Continued)

Foreign currency risk (Continued)

Foreign exchange risk sensitivity

The following table details the sensitivity to a 10% (2024: 10%) increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% (2024: 10%) is the sensitivity rate representing management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% (2024: 10%) change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they give rise to an impact on the Group's profit or loss.

If the relevant foreign currency strengthens by 10% (2024: 10%) against the functional currency of each Group entity, with all other variables held constant, profit or loss for the year and equity will decrease by:

	Singapore dollar US$'000
2025	
Group	
Profit for the year	(380)
Company	
Loss for the year	(417)
2024	
Group	
Profit for the year	(594)
Company	
Loss for the year	(426)

A 10% weakening of functional currency of each Group entity against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk relates to interest bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

Interests on the Group's loans (Note 27) are on fixed rates that prevail until the maturity of the instruments. No other financial instruments of the Group are subject to interest rate risk.

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Liquidity risk

Liquidity risk refer to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

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 loans to finance its cash flow and operations.

The following table shows details of the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

Group	**Effective Interest rate**	**Carrying amount**	**Total**	**One year or less**	**Two to five years**
	%	**US$'000**	**US$'000**	**US$'000**	**US$'000**
2025					
Undiscounted financial liabilities					
Trade payables	–	4,156	4,156	4,156	–
Other payables and accruals	–	2,456	2,456	2,456	–
Borrowings	6.00 – 14.40	4,486	4,753	1,026	3,727
Derivative financial liabilities	–	33	33	33	–
Lease liabilities	5.25	309	325	216	109
		11,440	11,723	7,887	3,836
2024					
Undiscounted financial liabilities					
Trade payables	–	4,623	4,623	4,623	–
Other payables and accruals	–	2,416	2,416	2,416	–
Borrowings	6.00 – 36.00	4,670	5,046	576	4,470
Derivative financial liabilities	–	74	74	74	–
Lease liabilities	5.25	496	509	213	296
		12,279	12,668	7,902	4,766

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

Liquidity risk (Continued)

Company	Effective Interest rate %	Carrying amount US$'000	Total US$'000	One year or less US$'000	Two to five years US$'000
2025					
Undiscounted financial liabilities					
Other payables and accruals	–	793	793	793	–
Borrowings	6.00 - 9.00	4,250	4,493	766	3,727
Due to subsidiaries (non-trade)	–	537	537	537	–
Derivative financial liabilities	–	33	33	33	–
Maximum exposure of guarantee	–	236	236	236	–
		5,849	6,092	2,365	3,727
2024					
Undiscounted financial liabilities					
Other payables and accruals	–	959	959	959	–
Borrowings	6.00 - 9.00	4,103	4,470	–	4,470
Due to subsidiaries (non-trade)	–	501	501	501	–
Derivative financial liabilities	–	74	74	74	–
Maximum exposure of guarantee	–	100	100	100	–
		5,737	6,104	1,634	4,470

Financial instruments by category

The carrying amount of the different categories of financial instruments as follows:

	Group		Company	
	2025 US$'000	2024 US$'000	2025 US$'000	2024 US$'000
Financial assets:				
- At amortised cost	5,485	4,500	7,608	8,322
- At fair value through profit or loss	–	2	–	2
	5,485	4,502	7,608	8,324
Financial liabilities:				
- At amortised cost	7,157	8,102	1,330	1,460
- At fair value through profit or loss	4,283	4,177	4,283	4,177
	11,440	12,279	5,613	5,637

41. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair values of applicable assets and liabilities are determined and categorised using a fair value hierarchy as follows:

(a) Level 1 - the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).

(b) Level 2 - in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.

(c) Level 3 - in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

	Group and Company			
	Level 1	**Level 2**	**Level 3**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**
2025				
Recurring fair value measurements				
Financial liabilities:				
Redeemable convertible bonds (2)	–	–	3,484	3,484
Convertible loan notes (2)	–	–	766	766
Warrant liabilities (3)	–	–	33	33
2024				
Recurring fair value measurements				
Financial asset:				
Other investment (1)	2	–	–	2
Financial liabilities:				
Redeemable convertible bonds (2)	–	–	3,396	3,396
Convertible loan notes (2)	–	–	707	707
Warrant liabilities (3)	–	–	74	74

(1) Fair value of other investment is determined directly by reference to their published market bid price at the financial year end date.

(2) Fair value of redeemable convertible bonds and convertible loan notes are determined by reference to equivalent non-convertible bond with binomial model at the financial year end date.

(3) Fair value of warrant liabilities are determined with black scholes model at the financial year end date.

41. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Summary of the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements.

Description	Fair value at 31 March 2025 US$'000	Valuation technique(s)	Significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
Financial liabilities at fair value through profit or loss:					
Redeemable convertible bonds	3,484	Binomial model	Implied bond yield	8.96%	An increase will result in a decrease in fair value
			Volatility	48.30%	An increase will result in an increase in fair value
Convertible loan notes	766	Binomial model	Implied bond yield	10.00%	An increase will result in a decrease in fair value
			Volatility	53.30%	An increase will result in an increase in fair value
Warrant liabilities	33	Black Scholes model	Volatility	53.30%	An increase will result in an increase in fair value

Description	Fair value at 31 March 2024 US$'000	Valuation technique(s)	Significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
Financial liabilities at fair value through profit or loss:					
Redeemable convertible bonds	3,396	Binomial model	Implied bond yield	10.22%	An increase will result in a decrease in fair value
			Volatility	52.9%	An increase will result in an increase in fair value
Convertible loan notes	707	Binomial model	Implied bond yield	14.2%	An increase will result in a decrease in fair value
			Volatility	44.8% - 45.2%	An increase will result in an increase in fair value
Warrant liabilities	74	Black Scholes model	Volatility	44.8% - 45.2%	An increase will result in an increase in fair value

41. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Movements in Level 3 assets subject to recurring fair value measurements

The following table presents the reconciliation for the applicable liabilities measured at fair value based on significant unobservable inputs:

	Group and Company	
	2025	**2024**
	US$'000	**US$'000**
Redeemable convertible bonds		
Balance at 1 April 2024/1 April 2023	3,396	3,561
Issuances of bonds		-
Fair value loss/(gain)	75	(109)
Exchange difference	13	(56)
Balance at 31 March 2025/31 March 2024	3,484	3,396
Convertible loan notes		
Balance at 1 April 2024/1 April 2023	707	-
Issuances of loan notes	-	694
Fair value loss	57	17
Exchange difference	2	(4)
Balance at 31 March 2025/31 March 2024	766	707
Warrant liabilities		
Balance at 1 April 2024/1 April 2023	74	-
Issuances of warrants	-	66
Fair value (gain)/loss	(41)	8
Balance at 31 March 2025/31 March 2024	33	74

Financial instruments whose carrying amount approximates fair value

The carrying amounts of cash and bank balances, trade and other receivables (excluding prepayments), loans, trade and other payables and amounts due from/(to) subsidiaries approximate their respective fair values due to the relative short-term maturity of these financial instruments.

42. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debts, which includes the borrowings disclosed in Note 26 and equity attributable to owners of the Company, comprising issued capital, retained earnings and reserves as disclosed in Notes 33 to 36 respectively and statements of changes in equity.

The Group's management reviews the capital structure on a regular basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends to shareholders, return capital to shareholders or issue new shares and share buybacks. The Group's overall strategy remains unchanged from 31 March 2024.

Management monitors capital based on a gearing ratio of less than one. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (excluding income tax payable and deferred tax liabilities as shown in the statements of financial position), less cash and bank balances. Total capital is calculated as total equity as shown in the statements of financial position, plus net debt.

	Group		Company	
	2025	**2024**	**2025**	**2024**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Total liabilities	16,684	15,772	5,769	5,824
Less: Cash and bank balances	(1,506)	(535)	(14)	(1)
Net debt	15,178	15,237	5,755	5,823
Total equity	8,038	6,133	20,934	21,595
Total capital	23,216	21,370	26,689	27,418
Gearing ratio	0.65	0.71	0.22	0.21

The Group is in compliance with externally imposed capital requirements during the financial years ended 31 March 2025 and 2024.

43. EVENT SUBSEQUENT TO THE REPORTING DATE

During the financial year ended 31 March 2024, the Group received the inventories from a supplier to fulfill a customer order. The total liability of US$2.2 million has been recognised as current trade payables as at 31 March 2024. However, in FY2025, the customer cancelled the order, prompting the Group to initiate legal proceedings from the customer to seek compensation. As of the reporting date, the legal case remains ongoing between the Group and the customer.

Subsequent to the current financial year, on 9 June 2025, the Group entered into a settlement agreement (the "Agreement") with the supplier in relation to the aforementioned inventories. Under the terms of the Agreement, the Group has agreed to pay approximately US$1.1 million in eight equal quarterly instalments, commencing on 1 December 2025 or on an earlier date upon receipt of any settlement from customer, with the remaining balance of US$1.1 million to be settled through joint sales of the products with the supplier within 30 days of receipt of the sale proceeds or 1 July 2027, whichever is earlier. This is a non-adjusting event, as the Group did not have a substantive right to defer settlement with the supplier as at 31 March 2025.

STATISTICS OF SHAREHOLDINGS

DISTRIBUTION OF SHAREHOLDINGS AS AT 24 JUNE 2025

Issued and fully paid-up capital	S$118,775,163
Total number of shares	3,242,032,092
Class of Shares	Ordinary
Treasury shares	Nil
Voting Rights (excluding treasury shares)	One Vote Per Share

DISTRIBUTION OF SHAREHOLDINGS AS AT 24 JUNE 2025

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	36	0.90	2,003	0.0001
100 - 1,000	270	6.76	229,105	0.0071
1,001 - 10,000	1,157	28.98	6,803,692	0.2098
10,001 - 1,000,000	2,300	57.62	363,791,352	11.2211
1,000,001 and above	229	5.74	2,871,205,940	88.5619
Total	**3,992**	**100.00**	**3,242,032,092**	**100.0000**

As at 24 June 2025, the percentage of shareholdings held in the hands of the public was 85.73% and Rule 723 of the Listing Manual is complied with.

20 LARGEST REGISTERED SHAREHOLDERS AS AT 24 JUNE 2025 AS SHOWN IN THE REGISTERS OF MEMBERS

No.	Name	No. of Shares	%
1	CITIBANK NOMS SPORE PTE LTD	284,993,353	8.79
2	ECONOMIC DEVELOPMENT INNOVATIONS SINGAPORE PTE LTD	196,700,000	6.07
3	DBS NOMINEES PTE LTD	146,031,662	4.50
4	UOB KAY HIAN PTE LTD	144,468,231	4.46
5	PAUL CLARK BURKE	137,726,406	4.25
6	MAYBANK SECURITIES PTE. LTD.	137,252,791	4.23
7	YUEN WAI KHEONG	119,985,266	3.70
8	WANG YU HUEI	119,744,400	3.69
9	PHILLIP SECURITIES PTE LTD	105,965,362	3.27
10	WONG KOON CHUE @ WONG KOON CHUA	76,697,000	2.37
11	HSBC (SINGAPORE) NOMINEES PTE LTD	72,397,625	2.23
12	UNITED OVERSEAS BANK NOMINEES P L	49,480,851	1.53
13	CREST CAPITAL ASIA PTE LTD	42,799,017	1.32
14	TAN MING LEON	42,200,000	1.30
15	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	40,466,433	1.25
16	OOI KOK RIE	39,370,000	1.21
17	TAN KHAI PANG	36,201,000	1.12
18	YONG QIAN HUI PHILINE (YANG QIANHUI)	34,343,300	1.06
19	GOH POH HENG	33,904,000	1.05
20	CHONG GIM KOW	32,000,000	0.99
	TOTAL	**1,892,726,697**	**58.39**

STATISTICS OF SHAREHOLDINGS

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN ORDINARY SHARES (AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**(%)[1]**	**No. of Shares**	**(%)[1]**
Economic Development Innovations Singapore Pte. Ltd.	196,700,000	6.07	Nil	Nil

Note:

(1) Percentages are based on the issued capital of the Company of 3,242,032,092

S$5,006,338 6% IN AGGREGATE PRINCIPAL AMOUNT OF CONVERTIBLE BONDS DUE 2027 OF ADDVALUE TECHNOLOGIES LTD

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	25	15.24	702	0.0140
100 - 1,000	63	38.41	36,450	0.7281
1,001 - 10,000	55	33.54	198,222	3.9594
10,001 - 1,000,000	19	11.59	1,448,624	28.9358
1,000,001 and above	2	1.22	3,322,340	66.3627
Total	**164**	**100.00**	**5,006,338**	**100.0000**

20 LARGEST REGISTERED CONVERTIBLE BONDS SHAREHOLDINGS AS AT 24 JUNE 2025 AS SHOWN IN THE REGISTERS OF MEMBERS

No.	Name	No. of Shares	%
1	ECONOMIC DEVELOPMENT INNOVATIONS SINGAPORE PTE LTD	2,148,227	42.91
2	CITIBANK NOMS SPORE PTE LTD	1,174,113	23.45
3	WANG YU HUEI	537,056	10.73
4	UOB KAY HIAN PTE LTD	225,120	4.50
5	YUEN WAI KHEONG	221,000	4.41
6	CHAN KUM LOK COLIN	102,000	2.04
7	TAN KHAI PANG	74,800	1.49
8	LUM KOK SOON	50,000	1.00
9	TEO ENG LEE	24,586	0.49
10	TAN YEW HIAN	24,000	0.48
11	PHILLIP SECURITIES PTE LTD	21,518	0.43
12	CHOW CHOI FUN	20,400	0.41
13	K KALAIVANAN	20,400	0.41
14	MOH FONG KEE @LEE KWOK HONG	20,000	0.40
15	TAN YEOK KOON (CHEN YUKUN)	20,000	0.40
16	TAN KIANG PENG	18,259	0.36
17	DBS NOMINEES PTE LTD	18,200	0.36
18	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	16,196	0.32
19	TAN KAI SENG	12,889	0.26
20	WONG MING GHEE	12,000	0.24
	TOTAL	**4,760,764**	**95.09**

STATISTICS OF SHAREHOLDINGS

S$1,020,500 9% IN AGGREGATE PRINCIPAL AMOUNT OF UNLISTED CONVERTIBLE LOAN NOTES WITH 78,500,000 FREE DETACHABLE WARRANTS OF ADDVALUE TECHNOLOGIES LTD DUE IN 2026

Size of Shareholdings	No. of Shareholders	%	No. of Convertible Loan Notes in principal amount	%
1 - 99	0	0.00	0	0.0000
100 - 1,000	0	0.00	0	0.0000
1,001 - 10,000	0	0.00	0	0.0000
10,001 - 1,000,000	15	100.00	1,020,500	100.0000
1,000,001 and above	0	0.00	0	0.0000
Total	**15**	**100.00**	**1,020,500**	**100.0000**

Size of Shareholdings	No. of Shareholders	%	No. of Warrant shares (assuming no adjustment to the initial conversion price)	%
1 - 99	0	0.00	0	0.0000
100 - 1,000	0	0.00	0	0.0000
1,001 - 10,000	0	0.00	0	0.0000
10,001 - 1,000,000	3	20.00	3,000,000	3.8217
1,000,001 and above	12	80.00	75,500,000	96.1783
Total	**15**	**100.00**	**78,500,000**	**100.0000**

ALL REGISTERED BONDHOLDERS AS AT 24 JUNE 2025 AS SHOWN IN THE REGISTERS OF MEMBERS

No.	Name	No. of Convertible Loan Notes in principal amount	%	No. of Warrant shares (assuming no adjustment to the initial conversion price)	%
1	PAUL C BURKE	357,500	35.03	27,500,000	35.03
2	CHAN KUM LOK COLIN	195,000	19.11	15,000,000	19.11
3	CHAN KIT SUN CHRIS	130,000	12.74	10,000,000	12.74
4	CHIANG MUN KIT JULIAN	65,000	6.37	5,000,000	6.37
5	TAN KHAI PANG	52,000	5.10	4,000,000	5.10
6	SAW KEN WYE	39,000	3.82	3,000,000	3.82
7	CHUA CHWEE KOH	32,500	3.18	2,500,000	3.18
8	RICHARD JOHN DENNY	26,000	2.55	2,000,000	2.55
9	WONG MING GHEE	26,000	2.55	2,000,000	2.55
10	LOW BOON LENG	19,500	1.91	1,500,000	1.91
11	HU GANG	19,500	1.91	1,500,000	1.91
12	GOH LIANG CHOO	19,500	1.91	1,500,000	1.91
13	NGO GUAN SENG	13,000	1.27	1,000,000	1.27
14	THIN THIAM CHOY	13,000	1.27	1,000,000	1.27
15	CHONG KIM HO	13,000	1.27	1,000,000	1.27
	TOTAL	**1,020,500**	**100**	**78,500,000**	**100**

ADDVALUE TECHNOLOGIES LTD
Company Registration No.199603037H

202 Bedok South Ave 1,
#01-11, Singapore 469332
Tel : +65 6509 5700
Fax: +65 6509 5701

ADDVALUETECH.COM