



# UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

FOR THE SIX MONTHS AND FULL FINANCIAL YEAR ENDED 31  
MARCH 2024

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## A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	The Group					
	2H2024	2H2023	%	FY2024	FY2023	%
	US\$'000	US\$'000	Change	US\$'000	US\$'000	Change
<b>Revenue</b>	<b>8,154</b>	5,089	60.2	<b>12,773</b>	7,549	<b>69.2</b>
Cost of sales	<b>(3,689)</b>	(3,031)	29.10	<b>(6,064)</b>	(3,953)	<b>53.4</b>
<b>Gross profit</b>	<b>4,465</b>	2,058	116.9	<b>6,709</b>	3,596	<b>86.6</b>
Other operating income	<b>250</b>	35	613.3	<b>440</b>	41	<b>965.8</b>
Selling & distribution expenses	<b>(654)</b>	(324)	101.9	<b>(925)</b>	(636)	<b>45.4</b>
Administrative expenses	<b>(1,618)</b>	(1,489)	8.7	<b>(3,389)</b>	(2,950)	<b>14.9</b>
Other operating expenses	<b>(1,176)</b>	(2,481)	(44.1)	<b>(1,806)</b>	(2,901)	<b>(37.7)</b>
<b>Profit/(Loss) from operations</b>	<b>1,267</b>	(2,201)	N/m	<b>1,029</b>	(2,850)	<b>N/m</b>
Finance expenses	<b>(322)</b>	(131)	145.8	<b>(722)</b>	(487)	<b>48.3</b>
<b>Profit/(Loss) before tax</b>	<b>945</b>	(2,332)	N/m	<b>307</b>	(3,337)	<b>N/m</b>
Taxation	<b>(30)</b>	344	N/m	<b>(30)</b>	344	<b>N/m</b>
<b>Net Profit/(loss) for the Period/year</b>	<b>915</b>	(1,988)	N/m	<b>277</b>	(2,993)	<b>N/m</b>
Other Comprehensive income/(loss)						
- Exchange differences arising from translation of foreign operations	<b>25</b>	27	(7.4)	25	27	<b>(7.4)</b>
	<b>940</b>	(1,961)	N/m	<b>302</b>	(2,966)	<b>N/m</b>
<b>Attributable to:</b>						
Equity holders of the Company	<b>940</b>	(1,961)	N/m	<b>302</b>	(2,966)	<b>N/m</b>
<b>Total comprehensive profit/(loss) for the period/year</b>	<b>940</b>	(1,961)	N/m	<b>302</b>	(2,966)	<b>N/m</b>

**Notes:**

"Company" denotes 'Addvalue Technologies Ltd'

"Group" denotes the Company and its subsidiaries

"2H2024" denotes the second half financial period of the financial year ended 31 March 2024 ("FY2024")

"2H2023" denotes the second half financial period of the financial year ended 31 March 2023("FY2023")

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

"N/m" denotes 'not meaningful'

	The Group					
	2H2024	2H2023	%	FY2024	FY2023	%
	US\$'000	US\$'000	Change	US\$'000	US\$'000	Change
Profit/(Loss) before tax was arrived at after charging/(crediting):						
Depreciation and amortization	567	500	13.4	976	1,000	(2.4)
Inventory written off	103	392	(73.7)	103	392	(73.7)
Foreign exchange loss (net)	205	202	1.5	50	98	(52)
Interest on borrowings	287	129	122.5	586	348	68.4
Allowance for doubtful debts	3	41	92.7	3	41	92.7
Fair value loss from quoted equity instruments	17	248	(93.2)	17	248	(93.2)
Fair value (gain)/loss on financial liabilities at FVTPL	(101)	48	N/m	(92)	48	N/m
Fair value loss on derivative financial liabilities	8	-	N/m	8	-	N/m
Impairment loss on development expenditure	-	600	N/m	-	600	N/m

## B. Condensed Interim Statements of Financial Position

	The Group		The Company	
	As at 31 Mar 2024 (Unaudited) US\$'000	As at 31 Mar 2023 (Audited) US\$'000	As at 31 Mar 2024 (Unaudited) US\$'000	As at 31 Mar 2023 (Audited) US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	903	550	-	-
Subsidiaries	-	-	19,085	19,085
Intangible assets	8,147	7,973	-	-
	9,050	8,523	19,085	19,085
<b>Current assets</b>				
Inventories	4,598	4,899	-	-
Trade receivables	3,449	2,229	-	-
Other receivables, deposits and prepayments	1,373	529	10	8
Other investment	3	20	2	20
Due from subsidiaries (non-trade)	-	-	8,367	8,001
Cash and bank balances	535	151	1	1
	9,958	7,828	8,380	8,030
<b>Total assets</b>	<b>19,008</b>	<b>16,351</b>	<b>27,465</b>	<b>27,115</b>
<b>Current liabilities</b>				
Trade payables	1,704	1,773	-	-
Other payables and accruals	2,438	2,076	959	786
Provisions	212	178	187	160
Borrowings	567	707	-	-
Derivative financial liabilities	74	-	74	-
Lease liabilities	209	86	-	-
Contract liabilities	1,896	780	-	-
Due to subsidiaries (non-trade)	-	-	501	510
	7,100	5,600	1,721	1,456
<b>Non-current liabilities</b>				
Borrowings	4,103	3,561	4,103	3,561
Lease liabilities	287	4	-	-
Deferred tax liabilities	1,385	1,355	-	-
	5,775	4,920	4,103	3,561
<b>Total liabilities</b>	<b>12,875</b>	<b>10,520</b>	<b>5,824</b>	<b>5,017</b>
<b>Net assets</b>	<b>6,133</b>	<b>5,831</b>	<b>21,641</b>	<b>22,098</b>
<b>Capital and reserves attributable to equity holders</b>				
Share capital	89,483	89,483	89,483	89,483
Capital reserve	747	747	-	-
Statutory reserve	8	8	-	-
Foreign currency translation	41	16	-	-
Accumulated losses	(84,146)	(84,423)	(67,842)	(67,385)
<b>Total equity</b>	<b>6,133</b>	<b>5,831</b>	<b>21,641</b>	<b>22,098</b>

The accompanying notes to the balance sheet:

	<b>The Group</b>	
	<b>As at 31 Mar 2024 US\$'000</b>	<b>As at 31 Mar 2023 US\$'000</b>
Amount repayable in one year or less or on demand		
Secured	-	-
Unsecured	567	707
	<b>567</b>	<b>707</b>
Amount repayable after one year		
Unsecured	4,103 <sup>(1)</sup>	3,561 <sup>(2)</sup>
Total	<b>4,670</b>	<b>4,268</b>

**Notes:**

- (1) *Inclusive of the outstanding Redeemable Convertible Bonds and Convertible Loan Notes (as defined hereinafter)*
- (2) *Inclusive of the outstanding Redeemable Convertible Bonds (as defined hereinafter)*

## C. Condensed Interim Consolidated Statement of Cash Flows

	The Group	
	FY2024 US\$'000	FY2023 US\$'000
<b>OPERATING ACTIVITIES</b>		
Profit/(Loss) before income tax	307	(3,337)
Adjustments for:		
Amortisation of intangible assets	601	615
Depreciation of property, plant and equipment	375	385
Fair value loss on quoted equity instruments	17	248
Fair value (gain) / loss on financial liabilities at FVTPL	(92)	48
Fair value loss on derivative financial liabilities	8	-
Allowance for doubtful debt (trade)	3	41
Interest expense	586	465
Impairment loss on development expenditure	-	600
Inventories written off	103	392
Other income	(213)	-
Unrealised foreign exchange (gain)/loss	(35)	264
Provision	34	53
Operating profit/(loss) before changes in working capital	1,694	(226)
<i>Changes in working capital</i>		
Inventories	1,314	(2,440)
Trade and other receivables	(2,066)	(756)
Trade and other payables	827	831
Contract liabilities	-	(143)
<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>	1,769	(2,734)
Interest income received	-	-
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>	1,769	(2,734)
<b>INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(146)	(274)
Additions in intangible assets	(776)	(1,351)
Proceeds from government grants	-	788
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(922)	(837)
<b>FINANCING ACTIVITIES</b>		
Net proceeds from issue of shares	-	3,747
Proceeds from borrowings	3,077	4,027
Repayment of borrowings	(2,845)	(3,903)
Repayment of lease liabilities	(191)	(211)
Interest paid	(504)	(570)
<b>NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES</b>	(463)	3,090
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	384	(481)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	151	632
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	535	151

D. Condensed Interim Statement of Changes in Equity

	The Group					
	Share capital US\$'000	Capital reserve US\$'000	Statutory reserve US\$'000	Foreign currency translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance at 1 Apr 2022	83,116	1,827	8	(11)	(82,510)	2,430
Loss for the year	-	-	-	-	(2,993)	(2,993)
Other comprehensive income, net of tax	-	-	-	27	-	27
Total comprehensive income for the year	-	-	-	27	(2,993)	(2,966)
Movement arising from extinguishment of convertible loan note	-	(1,080)	-	-	1,080	-
<u>Contribution by and distribution to owners</u>						
Issuance of new shares:						
Pursuant to placement shares, net of expenses	2,995	-	-	-	-	2,995
Pursuant to warrant shares	1,721	-	-	-	-	1,721
Pursuant to Optional Subscription Shares	2,097	-	-	-	-	2,097
Share issue expenses	(446)	-	-	-	-	(446)
<b>Balance at 31 Mar 2023</b>	<b>89,483</b>	<b>747</b>	<b>8</b>	<b>16</b>	<b>(84,423)</b>	<b>5,831</b>



The Group						
	Share capital US\$'000	Capital reserve US\$'000	Statutory reserve US\$'000	Foreign currency translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance at 1 Apr 2023	89,483	747	8	16	(84,423)	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
<b>Balance at 31 Mar 2024</b>	<b>89,483</b>	<b>747</b>	<b>8</b>	<b>41</b>	<b>(84,146)</b>	<b>6,133</b>

The Company				
	Share capital US\$'000	Capital reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance at 1 Apr 2022	83,116	1,080	(59,353)	24,843
Comprehensive loss for the financial year	-	-	(9,112)	(9,112)
Movement arising from extinguishment convertible loan note	-	(1,080)	1,080	-
Issuance of new shares:				
Pursuant to the share placement, net of expenses	2,995	-	-	2,995
Pursuant to warrant shares	1,721	-	-	1,721
Pursuant to Optional Subscription shares	2,097	-	-	2,097
Share issue expenses	(446)	-	-	(446)
<b>Balance at 31 Mar 2023</b>	<b>89,483</b>	<b>-</b>	<b>(67,385)</b>	<b>22,098</b>

	The Company			
	Share capital	Capital reserve	Accumulated losses	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 Apr 2023	89,483	-	(67,385)	22,098
Comprehensive income for the financial year	-	-	(457)	(457)
Balance at 31 Mar 2024	89,483	-	(67,842)	21,641

## E. Notes to the Condensed Interim Financial Statements

These notes form an integral part of and should be read in conjunction with the accompanying condensed interim financial statements of the Company and its subsidiaries (collectively, the “**Group**”) (the “**Condensed Interim Financial Statements**”).

### 1. Corporate Information

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 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 consist of investment holding, design and development of telecommunication systems and hardware and the distribution of telecommunication equipment and related products.

The Condensed Interim Financial Statements have not been audited or reviewed by auditors.

### 2. Basis of Preparation

The Condensed Interim Financial Statements for the six months (“2H2024”) and full year ended 31 March 2024 (“FY2024”) are presented in United States dollar, which is the Company’s functional currency, and all values, unless otherwise stated, are rounded to the nearest thousand (US\$’000). The Condensed Interim Financial Statements, which have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore, do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 31 March 2024.

The accounting policies adopted by the Condensed Interim Financial Statements are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s (the “**Standards**”), except for the adoption of new and amended standards as set out in Note 2.1 below.

## 2.1 New and amended Standards adopted by the Group

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) 1-1	Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non- current	1 January 2024
SFRS(I) 16	Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Various	Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements	1 January 2024
SFRS(I) 1-21, SFRS(I) 1	Amendments to SFRS(I) 1-21: Lack of Exchangeability	1 January 2024
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 will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

## 2.2 Use of judgements and estimates

In preparing the Condensed Interim Financial Statements, the management of the Company (the “**Management**”) has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes, and expenses. Actual results may differ from these estimates.

The significant judgements made by the Management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements of the Group as at 31 March 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The nature and the carrying forward of such significant assets and liabilities are disclosed with further details in the relevant notes to the Condensed Interim Financial Statements.

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during FY2024.

### 4. Segment and revenue information

#### 4.1 By geographical segments

For management purposes, the Group's business is organized into geographical segments based on the origin of the customers of the Group and not the destinations for the delivery of its products or the provision of its services as the Group's risks and rates of return are affected predominantly by geographical areas. The Group's main business is the sales of bespoke telecommunication equipment and related products and components, including the provision of related design services.

31 March 2024	EMEA <sup>(1)</sup> US\$'000	North America US\$'000	Asia Pacific US\$'000	Total US\$'000
<b>Revenue</b>				
<b>Total revenue from external customers</b>	<b>727</b>	<b>4,703</b>	<b>7,343</b>	<b>12,773</b>
<i>% Contribution</i>	<b>6%</b>	<b>37%</b>	<b>57%</b>	<b>100%</b>
Segment result	<b>382</b>	<b>2,470</b>	<b>3,857</b>	<b>6,709</b>
<b>Unallocated expenses</b>				<b>(6,120)</b>
Other income				<b>440</b>
Finance expenses				<b>(722)</b>
Profits before tax				<b>307</b>
Income tax expense				<b>(30)</b>
<b>Profit for the year</b>				<b>277</b>
<b>Segment assets</b>				
- Segment assets	<b>196</b>	<b>1,284</b>	<b>17,528</b>	<b>19,008</b>
<b>Segment liabilities</b>				
- Segment liabilities	<b>236</b>	<b>1,976</b>	<b>9,323</b>	<b>11,535</b>
- Deferred tax liabilities	-	-	<b>1,385</b>	<b>1,385</b>
<b>Total liabilities</b>				<b>12,920</b>
<b>Other information</b>				
Capital expenditure				
- Plant and equipment	-	-	<b>146</b>	<b>146</b>
- Intangible assets	-	-	<b>776</b>	<b>776</b>
Depreciation and amortisation	<b>56</b>	<b>359</b>	<b>561</b>	<b>976</b>

**Note:**

(1) Denotes Europe, Middle East, and Africa.

31 March 2023	EMEA <sup>(1)</sup> US\$'000	North America US\$'000	Asia Pacific US\$'000	Total US\$'000
<b>Revenue</b>				
Total revenue from external customers	55	3,202	4,292	7,549
% Contribution	7%	42%	51%	100%
Segment result	26	1,525	2,045	3,596
Unallocated expenses				(6,487)
Other income				41
Finance expenses				(487)
Loss before tax				(3,337)
Income tax expense				344
Loss for the year				(2,993)
Segment assets				
- Segment assets	40	547	15,764	16,351
Segment liabilities				
- Segment liabilities	331	309	8,525	9,165
- Deferred tax liabilities	-	-	1,355	1,355
Total liabilities				10,520
Other information				
Capital expenditure				
- Plant and equipment	-	16	258	274
- Intangible assets	-	-	1,351	1,351
- Impairment loss on DE	-	-	600	600
Depreciation and amortisation	7	424	569	1,000

**Note:**

(1) Denotes Europe, Middle East, and Africa.

**4.2 By revenue streams**

The business transformation pursued by the Group over the past 3 years has streamlined our revenue into the four revenue streams as follows:

Turnover	The Group			
	FY2024		FY2023	
	US\$'000	% Contribution	US\$'000	% Contribution
SPC-Related Business	6,658	52	4,038	53
ADR-Related Business	4,816	38	2,628	35
STC-Related Business	374	3	674	9
Design Engineering Services	925	7	209	3
	12,773	100	7,549	100

### By geographical segments

Almost 94% of the FY2024 revenue was generated from North America region and Asia Pacific region as these are our current focused markets for SPC-Related Business and ADR-Related Business. Both business segments experienced an increase in sales. Revenue from North America region increased by 47% mainly due to the revenue increase from successful delivery of the IDRS terminals and related services to our existing and new IDRS clients in North America. We achieved a 71% increase in sales from Asia Pacific region. This was largely due to our shipments of certain reconfigurable embedded modules that the Company developed for a large local technology company as well as our 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 5G era and beyond. The turnover contribution from the EMEA region improved with our marketing efforts to explore the market potential related to SPC-Related Business and ADR-Related Business.

### By revenue streams

Almost 90% of the revenue in FY2024 was attributed to the SPC-Related Business and ADR -Related Business as both registered significant year-on-year growth of 65% and 83% 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 local 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 5G era and beyond.

**5. Employee benefits expense**

	The Group	
	FY2024 US\$'000	FY2023 US\$'000
Employee benefits expense (including Directors):		
- Salaries, bonuses and others	3,570	3,108
- Contribution to defined contribution plans	210	353
	<b>3,780</b>	3,461
Directors' fees	187	160
	<b>3,967</b>	3,621

**6. Intangible assets**

The Group	Development expenditure US\$'000	Patents US\$'000	Computer software US\$'000	Total US\$'000
<u>Cost</u>				
At 1 Apr 2023	32,865	90	1,357	34,312
Additions	776	-	-	776
Written-Off	(2,948)	-	-	(2,948)
At 31 Mar 2024	30,693	90	1,357	32,140
<u>Accumulated amortisation</u>				
At 1 Apr 2023	12,986	44	1,357	14,387
Amortisation charge for the financial period	601	-	-	601
Written-Off	(1,806)	-	-	(1,806)
At 31 Mar 2024	11,781	44	1,357	13,182
<u>Accumulated impairment</u>				
At 1 Apr 2023	11,952	-	-	11,952
Written-Off	(1,141)	-	-	(1,141)
At 31 Mar 2024	10,811	-	-	10,811
<u>Carrying amount</u>				
At 31 Mar 2024	8,101	46	-	8,147
At 31 Mar 2023	7,927	46	-	7,973

The Group determines whether there is any indication that 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 commercial exploitation of products, applications and processes that are developed by the Group. The key assumptions used to determine the recoverable amount of each Cash-Generating Unit were disclosed in the annual financial report for FY2024.

**7. Trade receivables**

	<b>The Group</b>	
	<b>As at 31 Mar 24 US\$'000</b>	<b>As at 31 Mar 23 US\$'000</b>
Trade receivables	<b>3,451</b>	8,229
Less: Loss allowance	<b>(2)</b>	(6,000)
	<b>3,449</b>	2,229

The Group's trade receivables are non-interest bearing and are generally ranging from 0 to 60 (2023: 0 to 60) days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables include an amount of US\$NIL (2023: US\$6,000,000) pertaining to a one-off licensing income. The settlement of the consideration will be at the option of the trade debtor, either by way of cash or issuance of shares to the Group. The customer had opted to issue shares to settle the outstanding trade receivable. On 29 May 2020, the customer entered into an addendum to extend the deadline for the transfer of shares to 15 July 2020 and both parties agreed that the shares of the customer to be issued to the Group shall be worth US\$6,000,000 based on the fund raising to be concluded by the customer. On 17 August 2020, the customer issued a trust deed to the Group stating that they had earmarked to issue a minimum of 2,000,000 shares valued at US\$3 each for the settlement. On 29 September 2020, management entered into another addendum with the customer to further extend the deadline for the transfer of shares to 31 December 2021. On 1 January 2022, management entered into another addendum with the customer to further extend the deadline for the transfer of shares to 31 December 2022. In consideration of the delays of the transfer of the shares by the customer and the heightened volatility and uncertainty in the economic environment that the customer operates in, the management is of the view that there has been a significant increase in credit risk relating to the receivable since initial recognition. With reference to SFRS(I) 9, accordingly, the Group recorded a loss allowance of US\$6,000,000 in the last financial year. The amount remains outstanding as of 31 March 2024 and the loss allowance has been written off as at 31 March 2024 as there is no further update.



**8. Other receivables, deposits and prepayments**

	<b>The Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>31 Mar 24</b>	<b>31 Mar 23</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Deposits	159	159
Other receivables	570	477
Prepayments	131	155
Prepayments to suppliers	893	118
Less: Loss allowance	<b>(380)</b>	<b>(380)</b>
	<b>1,373</b>	<b>529</b>

**9. Other payables and accruals**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31 Mar 24</b>	<b>31 Mar 23</b>	<b>31 Mar 24</b>	<b>31 Mar 23</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Accrued operating expenses:				
- Employee benefits	962	856	-	-
- Directors' fees	52	-	52	-
- Others	613	330	334	141
Other payables	811	890	573	645
	<b>2,438</b>	<b>2,076</b>	<b>959</b>	<b>786</b>

**10. Borrowings**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31 Mar 24</b>	<b>31 Mar 23</b>	<b>31 Mar 24</b>	<b>31 Mar 23</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<u>Due within one year</u>				
Loans	100	485	-	-
Bills payable	467	222	-	-
	<b>567</b>	<b>707</b>	<b>-</b>	<b>-</b>
<u>Due after one year or more</u>				
Convertible loan notes	707	-	707	-
Redeemable Convertible bonds	3,396	3,561	3,396	3,561
	<b>4,103</b>	<b>3,561</b>	<b>4,103</b>	<b>3,561</b>
	<b>4,670</b>	<b>4,268</b>	<b>4,103</b>	<b>3,561</b>
<u>Total borrowings</u>				
Loans	100	485	-	-
Bills payable	467	222	-	-
Convertible loan notes	707	-	707	-
Redeemable convertible bonds	3,396	3,561	3,396	3,561
	<b>4,670</b>	<b>4,268</b>	<b>4,103</b>	<b>3,561</b>

Bills payable relate to short-term trade finance loans, bears a fixed interest rate of 1.5% (2023: 2%) per month and repayable on maturity date. The bills payable is jointly and severally guaranteed by certain directors of the Company.

#### **11. Subsequent events**

There are no known subsequent events from 31 March 2024 to the date of this announcement, which will lead to adjustments to this set of condensed interim consolidated financial statements.

## F. Other Information Required by Listing Rules Appendix 7.2

1. Details of any changes in company's share capital arising from rights issue, bonus issue, share buy backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediate preceding financial year.

Share Capital of the Company	No of shares	US\$'000
Balance as at 1 April 2024 and 31 March 2024	3,242,032,092	89,483

### A. Convertible Loan Notes

On 27 January and 6 March 2024, the Company completed the issuance of Convertible Loan Notes in the aggregate principal amount of S\$1,020,500 (the "2024 Convertible Loan Notes") which are convertible, in whole or in part, into 78,500,000 Conversion Shares (the "2024 Conversion Shares") at the initial conversion price of S\$0.013 per Conversion Share with an aggregate of 78,500,000 free detachable Warrants, with each Warrant carrying the right to subscribe for one Warrant Share at an initial exercise price of S\$0.013 per Warrant Share (the "2024 Detachable Warrants"). As at the date of this announcement, none of the above 2024 Convertible loan notes nor 2024 Detachable Warrants were converted nor exercised.

### B. Redeemable Convertible Bonds

On 8 November 2022, the Company has completed the issuance of Redeemable Convertible Bonds ("RCB") in the aggregate principal amount of approximately S\$5.01 million which are convertible, in whole or in part, into not more than 294,490,588 new ordinary shares of the Company in the share capital of the Company (the "RCB Shares") at a conversion price of S\$0.017 per RCB. The gross proceeds raised from the RCB is approximately S\$4.66 million (US\$3.30 million). As at the date of this announcement, there were 5,006,338 RCB which can be converted to not more than 294,490,471 new ordinary shares of the Company and 2 RCB were converted in Jan 2023.

### C. Performance Share Plan

On 28 July 2017, against the approval of the Shareholders procured at an Extraordinary General Meeting, the Company adopted the 'Addvalue Technologies Performance Share Plan' (the "AVTPSP2017") that will enable employees of the Group (including the Executive Directors) as well as the Non-Executive Directors of the Company to participate in the equity of the Company based on performance through the possible grant of awards of fully paid shares of the Company. There were no Share Awards granted under the AVTPSP2017 during FY2024.

Save for the allotment and issuance of the Convertible Loan Notes Placement, there was no movement in the share capital of the Company during FY2024.

Save for the outstanding Convertible Loan Notes, the 2024 Redeemable Convertible Bonds and the 2024 Detachable Warrants as at 31 March 2024 and outstanding Optional Subscription Rights, the Convertible Loan Notes and the Redeemable Convertible Bond as at 31 March 2023, the Company has neither treasury shares nor outstanding dilutive securities (including share options) which are capable of being converted into the shares of the Company. Neither were there any sale, transfer, disposal, cancellation and/or use of treasury shares by the Company during the period from 1 April 2023 to 31 March 2024.

**Use of proceeds from the issuance of the Convertible Loan Notes Placement in the January 2024 (pursuant to Rule 704(30))**

As at the date of this announcement, the entire net proceeds of approximately US\$0.69 million received from the January 2024 Convertible Loan Notes Placement had been fully utilised for the intended use as follows:

<b>Use of the January 2024 Placement and Warrant proceeds</b>	<b>US\$ million</b>	<b>Percentage utilized of allocated amount (%)</b>
Repayment of the AIPL Loan borrowings	0.24	100
General working capital purposes:		
• For payroll and amount due to directors	0.26	100
• For corporate expenses and materials used in production	0.19	100
<b>Total amount utilised</b>	<b>0.69</b>	

The total number of issued shares (excluding treasury shares) as at the end of the current financial year and as at the end of the immediately preceding year are tabulated as follows:

<b>The Company</b>	<b>As at 31 Mar 2024</b>	<b>As at 31 Mar 2023</b>
Total number of issued ordinary shares (excluding treasury shares)	<b>3,242,032,092</b>	3,242,032,092

**2. Earnings per ordinary shares of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>The Group</b>	
	<b>FY2024 US\$'000</b>	<b>FY2023 US\$'000</b>
<b>Net profit/(loss) attributable to Shareholders</b>	<b>302</b>	(2,966)
<b>Number of ordinary shares in issue (excluding treasury shares)</b>		
Weighted average number of ordinary shares for the purpose of computing the basic and diluted loss per share	<b>3,242,032,092</b>	3,101,178,165
<b>Profit/(loss) per share</b>		
Basic and diluted (US cents)	<b>0.0093<sup>(1)</sup></b>	(0.09) <sup>(1)</sup>

**3. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	The Group		The Company	
	As at 31 Mar 2024 US\$'000	As at 31 Mar 2023 US\$'000	As at 31 Mar 2024 US\$'000	As at 31 Mar 2023 US\$'000
Net asset value as at end of financial year	<b>6,133</b>	5,831	<b>21,641</b>	22,098
Net asset value per ordinary share as at the end of financial year (US cents)	<b>0.19<sup>(1)</sup></b>	0.18 <sup>(1)</sup>	<b>0.67<sup>(1)</sup></b>	0.68 <sup>(1)</sup>

**Note:**

(1) Based on 3,242,032,092 issued shares of the Company

**4. A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period report on.**

**Overview**

The Group 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 over four physical domains: seas, land, sky and space. Its customers include leading commercial and governmental organizations in communications, defence, and aerospace industries.

The Group's products and solutions revolve around the concept of 'Digital Connectivity as a Service'. In particular, the Group knows best to apply appropriate satellite communications technologies and related engineering knowhow for reliable, resilient, and smart connection, be it between people, between machines or between people and machines. These products and solutions are ideal choices for communications in areas around the world where terrestrial networks are non-existent or ineffective. The 'one-stop shop' business model means the Group takes a holistic approach in providing an 'end-to-end' connectivity solution that optimally integrates hardware, software, and service platforms into a seamless embodiment, so customers can focus on what they do best.

Owing to the rich and proven heritage in the Group's design and development competencies for highly sophisticated products for RF analog, digital radio and software-defined applications, the Group also offers 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 the Group tremendous competitive advantages to attract high value projects but also the opportunities to seek new growth areas that are in alignment with its strategic direction.

The Group organises 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** (Previously known as IDRS-Related Business)
- **Advance Digital Radio (“ADR”) Related Business** (Previously known as RES-Related Business)
- **Satcom Connectivity (“STC”) Related Business** (Previously known as IPS-Related Business)
- **Strategic Design (“SDS”) Related Business** (Previously known as Design Engineering Services or Design-cum-Supply Business)

## **Review of financial performance for 2H2024 (relative to 2H2023) and FY2024 (relative to FY2023)**

### ***Turnover***

The Group recorded 60.2% increase in turnover to US\$8.2 million for 2H2024 from that of US\$5.1 million in 2H2023 and 69.2% increase for FY2024 compared to FY2023 with the business momentum from our 2 main engines of growth, namely SPC-Related Business and ADR-Related Business continuing its growth momentum this year.

Almost 90% of the revenue in FY2024 was attributed to the SPC-Related Business and ADR-Related Business as both registered significant year-on-year growth of 65% and 83% 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 local 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 5G era and beyond.

### ***Profitability***

The Group recorded a gross profit of US\$6.7 million against a gross profit margin of 52.5% for FY2024 compared to a gross profit of US\$3.6 million against a gross profit margin of 47.6% for FY2023.

The higher gross profit and gross profit margin were attributed principally to the delivery of more high yielding products in 2H2024 and FY2024 relative to 2H2023 and FY2023.

The selling and distribution expenses of the Group increased by US\$289,000 or 45.5% from US\$636,000 in FY2023 to US\$925,000 in FY2024 due mainly to new marketing initiatives, including additional marketing and overseas travelling expenses incurred for participation in overseas exhibitions and sales trips.

The administrative expenses of the Group increased from US\$2,950,000 in FY2023 to US\$3,389,000 in FY2024 due primarily to increased legal and professional service expenses incurred on corporate activities as well as higher manpower costs and related expenses including increased headcount in the quality and operational area to augment the processes in the SPC and ADR-Related Businesses of the Group.

The other operating expenses decreased by US\$1,095,000 or 37.7% from US\$2,901,000 to US\$1,806,000 mainly attributed absence of the US\$600,000 impairment for Development Expenditure in FY2023 and decrease in inventory provision in FY2024 as compared to FY2023.

The other operating income of the Group in FY2024 comprised mainly government grants received, fair value gain and reversal of debt deemed not payable while FY2023 mainly consisted of government grants received.

The higher finance expenses incurred by the Group in FY2024 can be attributed mainly to the need to service the S\$4.66 million RCB which was completed in November 2022 and more borrowings for working capital to support the increased orders secured.

Consequence to the above, the Group has emerged from a loss before tax of US\$3.3 million in FY2023 to a profit before tax of US\$307,000 in FY2024.

### **Review of financial position as at 31 March 2024 (relative to that as at 31 March 2023)**

#### ***Long-term assets***

The increase in property, plant and equipment of the Group was attributed mainly to capitalisation of the right of use assets resulting from the extension of our office lease for another 3 years during the year.

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% was due mainly to development expenses incurred in FY2024 for certain projects offset by the commencement of amortisation of part of the completed space resilient projects without further impairment of existing development expenses.

There is no change in the Company's subsidiaries as there was no issuance of new shares in a subsidiary via capitalisation of amount due from that subsidiary company.

#### ***Current assets***

Inventories is lower by 6.1% 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.

The increase in trade receivables by 54.7% was due to sales towards the end of FY2024 while the other receivables, deposits and prepayments increased by 159.5% due to more prepayments made to suppliers in line with the purchase orders placed by our customers for our IDRS Terminals (SPC-Related Business) during FY2024.

The decrease in other investment was due the recognition of the fair value loss arising from the Company's other equity investment as at 31 March 2024.

#### ***Current liabilities***

The decrease in trade payables by 3.9% was attributed mainly to lower inventories carried to support the higher sales volume deliveries towards the year end with W-I-P in hand which we produced in batches for efficiency and consistency explained above.

Other payables and accruals increased by 17.4% attributed mainly to more accruals for expenditure incurred to support the increase in the volume of business.

The increase in provisions was due mainly to the higher provision for Directors' fees for FY2024 arising from the increase in the meetings frequency.

The decrease in borrowings was attributed principally to loan settlements during FY2024.

The increase in lease liabilities both current and non-current, relate to the recognition of right of use of assets as lease liabilities resulting from our office lease extended for another 3 years during the year.

The increase in contract liabilities relate mainly to US\$930,000 advances and deposits from new and existing customers for new purchase orders received for our IDRS Terminals (SPC-Related Business) during FY2024.

The non-current borrowings consist of the Redeemable Convertible Bonds ("RCB") issued in November 2022 which will mature in 5 years from issue date and the Convertible loan notes ("CLN") issued during FY2024 which will mature in 2 years from issue date.

There is no change in Share Capital for FY2024 as compared to the allotment of 717,430,117 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.

There is no movement in capital reserve as compared to the reversal of the equity portion of the convertible loan notes upon full settlement in FY2023.

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) increased to 76.1% as at 31 March 2024 from 73.1% as at 31 March 2023 after the recent CLN issue;
2. the working capital position of the Group improved from the working capital of US\$2.22 million as at 31 March 2023 to the working capital of 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\$1.8 million in FY2024 compared to net cash used in operations of US\$2.7 million in FY2023, of which was substantially covered by cash generated from financing activities in FY2023; and
4. the net asset value of the Group improved by US\$302,000 to US\$6.1 million as at 31 March 2024 while the net asset value per ordinary share remains as 0.19 US cents per Share as at 31 March 2024 and 31 March 2023.

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

Not applicable.

**6. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

We are encouraged by the revenue growth achieved in FY2024 as compared to FY2023 as well as achieving a positive EBIDTA and a pre-tax profit of US\$307,000. We expect the momentum to continue for the next 12 months.

Despite the rescheduling of deliveries of our IDRS terminals by our customers due to various reasons including delays in launch services in the first half of FY2024, we have more than made up in the second half to achieve a 65% increase for FY2024 as compared to FY2023. Our SPC-related business continues the growth momentum with the adoption of LEO satellite technologies and applications dominating the addressable segment of the new space industry. We are actively converting the pipeline of high-confidence sale leads into firm orders. Based on the feedback from our customers, we expect more terminals to be delivered accompanied by more launches to be made in the next 12 months.

Our ADR-related business improved by 83% over that for FY2023 with the supply of a diverse range of our software defined radio modules and other embedded hardware products, including the completion of the contract to a large local technology organisation that was earlier announced. Furthermore, the launch of the ADRS1000™ module, a state-of-the-art 16-channel Direct Sampling re-configurable wireless System-on-



Module (SOM) continues to gain traction as we continue to receive customers' orders and enquiries from anti-drone and smart RF sensing industries.

As per 23 May 2024 Announcement, the Company has an order book of US\$8.9m which will be substantially fulfilled in this Financial Year. This augurs well and compares favourably with the US\$12.7m of revenue achieved in FY2024. Barring any unforeseen circumstances, we are confident that the Group will perform better in FY2025.

**7. If a decision regarding dividend has been made:**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No.

**(b) (i) Amount per share:** Nil cents

**(ii) Previous corresponding period:** Nil cents

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**8. If no dividend has been declared / recommended, a statement to that effect and the reason(s) for the decision.**

No dividend is declared or recommended for distribution for 2H2024 and FY2024 as the Company is working to emerge from its past loss-making position.

**9. If the group has obtained general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No general mandate for IPT from the Shareholders has had been sought.

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

**10. Negative assurance confirmation on interim financial results pursuant to Rule 705(5) of the Listing Manual.**

Not applicable.

**11. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that it has procured the said undertakings from all the Directors and executive officers of the Company in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**12. Confirmation that the issuer has made a quarterly update as required under Listing Rule 1313(2).**

The Company confirms that it has made a quarterly update as required under Listing Rule 1313(2) of the Listing Manual.

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (THIS PART IS NOT APPLICABLE TO Q1, Q2, Q3 OR HALF YEAR RESULTS)****13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Please refer to the section E item 4 - Segment and revenue information of this announcement for details.

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earning by the business or geographical segments.**

Please refer to the section E item 4 - Segment and revenue information of this announcement for details.

**15. Breakdown of sales**

	FY2024 US\$'000	FY2023 US\$'000	% change
(i) Turnover reported for:			
- First half year ended 30 September	4,619	2,460	87.8%
- Second half year ended 31 March	8,154	5,089	60.2%
	<b>12,773</b>	<b>7,549</b>	<b>69.2%</b>
(ii) Net profit/(loss) reported for:			
- First half year ended 30 September	(638)	(1,005)	36.4%
- Second half year ended 31 March	915	(1,988)	N/m
	<b>277</b>	<b>(2,993)</b>	<b>N/m</b>

The Group recorded 60.2% increase in turnover to US\$8.2 million for 2H2024 from that of US\$5.1 million in 1H2023 and 69.2% increase for FY2024 compared to FY2023 with the business momentum from our 2 main engines of growth, namely SPC-Related Business and ADR-Related Business continuing its growth momentum this year.

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
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Nil

For and on behalf of the Board of Directors

Richard Denny  
Non-Executive Chairman

Tan Khai Pang  
CEO

30 May 2024