

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2018 (“1Q2019”) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 MARCH 2019 (“FY2019”)**

**PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1.(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediate preceding financial year**

	The Group		
	1Q2019 US\$'000	1Q2018 US\$'000	% Change
<b>Revenue</b>	1,131	848	33.4
Cost of sales	(743)	(512)	45.1
<b>Gross profit</b>	<b>388</b>	336	15.5
Other operating income	15	57	(73.7)
Selling & Distribution expenses	(219)	(240)	(8.8)
Administrative expenses	(635)	(733)	(13.4)
Other operating expenses	(306)	(469)	(34.8)
<b>(Loss)/Profit from operations</b>	<b>(757)</b>	(1,049)	(27.8)
Finance expenses	(93)	(21)	342.9
<b>Loss before tax</b>	<b>(850)</b>	(1,070)	(20.6)
Taxation	-	(4)	N/m
<b>Net loss for the period</b>	<b>(850)</b>	(1,074)	(20.9)
Other comprehensive income			
Exchange differences arising from translation of foreign operations	(12)	4	N/m
Total comprehensive loss for the period	<b>(862)</b>	(1,070)	(19.4)
<b>Attributable to:</b>			
Equity holders of the Company	<b>(862)</b>	(1,070)	(19.4)
<b>Total comprehensive loss for the period</b>	<b>(862)</b>	(1,070)	(19.4)

“1Q2019” denotes the first financial quarter period ended 30 June 2018 in respect of FY2019

“1Q2018” denotes the first financial quarter period ended 30 June 2017 in respect of FY2018

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

“N/m” denotes not meaningful

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

	The Group		
	1Q2019 US\$'000	1Q2018 US\$'000	% Change
Loss before tax has been arrived at after charging/(crediting):			
Depreciation and amortization	170	385	(55.8)
Foreign exchange (gain)/loss-net	(1)	(34)	(97.1)
Interest expense	65	21	209.5

**1.(b)(i) A statement of financial position (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year**

	The Group		The Company	
	As at 30 Jun 2018 US\$'000	As at 31 Mar 2018 US\$'000	As at 30 Jun 2018 US\$'000	As at 31 Mar 2018 US\$'000
<b>Non-current assets</b>				
Plant and equipment	525	599	-	-
Subsidiaries	-	-	12,406	12,406
Intangible assets	9,012	8,555	-	-
Deferred tax assets	-	-	-	-
	<b>9,537</b>	9,154	<b>12,406</b>	12,406
<b>Current assets</b>				
Inventories	3,008	3,253	-	-
Amount due from customers for contract work	-	-	-	-
Trade receivables	1,509	1,125	-	-
Other receivables, deposits and prepayments	668	500	16	10
Available-for-sales financial assets	2	2	2	2
Due from subsidiaries (non-trade)	-	-	6,512	6,374
Fixed deposit	-	40	-	-
Cash and bank balances	192	216	5	5
	<b>5,379</b>	5,136	<b>6,535</b>	6,391
<b>Total assets</b>	<b>14,916</b>	14,290	<b>18,941</b>	18,797
<b>Current liabilities</b>				
Trade payables	1,673	1,624	-	-
Other payables and accruals	1,979	1,301	90	76
Provisions	174	169	125	98
Borrowings	2,458	1,692	1,261	1,114
Advances received from customers	244	243	-	-
Due to subsidiaries (non-trade)	-	-	768	790
	<b>6,528</b>	5,029	<b>2,244</b>	2,078
<b>Non-current liabilities</b>				
Borrowings	128	139	-	-
Deferred tax liabilities	1,646	1,646	-	-
	<b>1,774</b>	1,785	-	-
<b>Total liabilities</b>	<b>8,302</b>	6,814	<b>2,244</b>	2,078
<b>Net assets</b>	<b>6,614</b>	7,476	<b>16,697</b>	16,719
<b>Equity attributable to the Company's equity holders</b>				
Share capital	72,506	72,506	72,506	72,506
Capital reserve	1,567	1,567	820	820
Statutory reserve	8	8	-	-
Foreign currency translation reserve	6	18	-	-
Accumulated losses	(67,473)	(66,623)	(56,629)	(56,607)
<b>Total equity</b>	<b>6,614</b>	7,476	<b>16,697</b>	16,719

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

	<b>The Group</b>	
	<b>As at 30 Jun 2018 US\$'000</b>	<b>As at 31 Mar 2018 US\$'000</b>
Amount repayable in one year or less or on demand		
Secured	-	2 <sup>(1)</sup>
Unsecured	<b>2,458<sup>(2)</sup></b>	<b>1,690<sup>(2)</sup></b>
	<b>2,458</b>	<b>1,692</b>
Amount repayable after one year		
Secured	-	-
Unsecured	<b>128</b>	<b>139</b>
	<b>128</b>	<b>139</b>

**Details of any collateral**

**Notes:**

(1) *Attributed to hire purchase loans*

(2) *Inclusive of the outstanding Convertible Loan Notes (as defined herein after) issued by the Company on 31 May 2017*

**1.(c) A cash flow statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>The Group</b>	
	<b>1Q2019</b>	<b>1Q2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>OPERATING ACTIVITIES</b>		
Loss before tax	(850)	(1,070)
Adjustments for:		
Amortisation of intangible assets	90	307
Amortisation of deferred income	-	(10)
Depreciation of plant and equipment	80	78
Interest expense	65	21
Interest income	-	(1)
Unrealised foreign exchange loss	(12)	4
Provisions/(Provision utilisations)	6	24
Operating profit/(loss) before changes in working capital	(621)	(647)
<i>Changes in working capital</i>		
Inventories	245	(252)
Trade and other receivables	(552)	840
Amount due from customers for contract work	-	49
Trade and other payables	727	(1,901)
Advances received from customers	1	(45)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(200)</b>	<b>(1,956)</b>
Interest income received	-	1
Income tax paid	-	(4)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(200)</b>	<b>(1,959)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(7)	(13)
Additions to intangible assets	(827)	(979)
Proceeds from government grants	281	217
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(553)</b>	<b>(775)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	976	5,066
Repayment of borrowings - net	(237)	(769)
Withdrawal of fixed deposit	40	-
Net proceeds from issue of shares	-	2,055
Repayment to a shareholder	-	(571)
Interest paid	(50)	(20)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>729</b>	<b>5,761</b>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	(24)	3,027
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	216	215
CASH AND CASH EQUIVALENT AT END OF PERIOD	192	3,242

1.(d)(i) statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

The Group						
	Share capital	Capital reserve	Statutory reserve	Foreign currency translation reserve	Accumulated losses	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 April 2018	72,506	1,567	8	18	(66,623)	7,476
Comprehensive loss for the financial period	-	-	-	(12)	(850)	(862)
Balance as at 30 June 2018	72,506	1,567	8	6	(67,473)	6,614

The Group						
	Share capital	Capital reserve	Statutory reserve	Foreign currency translation reserve	Accumulated losses	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 April 2017	66,753	747	8	(11)	(53,838)	13,659
Issuance of new shares pursuant to the Placement Shares and Conversion Shares (as defined hereinafter) - net of share issue expenses	5,753	-	-	-	-	5,753
Comprehensive loss for the financial period	-	-	-	4	(1,074)	(1,070)
Balance as at 30 June 2017	72,506	747	8	(7)	(54,912)	18,342

<b>The Company</b>				
	<b>Share capital</b>	<b>Capital reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Balance as at 1 April 2018	72,506	820	(56,607)	16,719
Comprehensive income for the financial period	-	-	(22)	(22)
Balance as at 30 June 2018	72,506	820	(56,629)	16,697

<b>The Company</b>				
	<b>Share capital</b>	<b>Capital reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Balance as at 1 April 2017	66,753	-	(52,484)	14,269
Issuance of new shares pursuant to the Placement Shares and Conversion Shares (as defined herein after) - net of share issue expenses	5,753	-	-	5,753
Comprehensive income for the financial period	-	-	16	16
Balance as at 30 June 2017	72,506	-	(52,468)	20,038

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

<b>Share Capital of the Company</b>	<b>No of shares</b>	<b>US\$'000</b>
Balance as at 1 April 2018 and 30 June 2018	1,770,441,084	72,506

#### **A. Convertible Loan Notes**

Pursuant to the issuance of convertible loan notes (the "Convertible Loan Notes") on 31 May 2017 in the aggregate principal amount of approximately S\$7.1 million convertible into 128,500,000 new ordinary shares in the capital of the Company (the "Conversion Shares") at a conversion price of S\$0.055 per Conversion Share, the Company allotted and issued 83,500,000 Conversion Shares on 2 June 2017. As at the date of this report, there is an outstanding Convertible Loan Note of S\$2.475 million which remained unconverted.

Save for the mentioned above, there was no movement in the share capital of the Company during 1Q2019.

## B. Share Options

The Addvalue Technologies Employees' Share Option Scheme approved and adopted by the Company on 24 October 2001 (the "ESOS Scheme") in providing an opportunity for eligible participants of the Group who have contributed to the growth and prosperity of the Group to participate in the equity of the Company had expired on 21 June 2014, with all outstanding options granted under the ESOS Scheme, if not exercised by then, lapsed.

## C. Performance Share Plan

On 28 July 2017, against the approval of the Shareholders at an Extraordinary General Meeting, the Company adopted the "Addvalue Technologies Performance Share Plan" 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 pursuant to the grant of contingent awards of fully paid Shares of the Company under the said Plan.

As at 30 June 2018 and 30 June 2017, 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, other than the unconverted loan notes mentioned in A above

### 1.(d)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	<u>As at 30 Jun 2018</u>	<u>As at 31 Mar 2018</u>
Total number of issued ordinary shares (excluding treasury shares)	<u>1,770,441,084</u>	<u>1,770,441,084</u>

### 1.(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company has had no treasury shares as at 30 June 2018. Neither were there any sale, transfer, disposal, cancellation and/or use of treasury shares by the Company during 1Q2019.

### 2. Whether the figures have been audited, or reviewed in accordance with which standard (eg. The Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard.

The figures have not been audited or reviewed by the auditors.

### 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

### 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 March 2018, except for the adoption of the relevant new Financial Reporting Standards ("FRS") which became mandatory for the current financial year.

The adoption of new and revised Financial Reporting Standards ("FRS") and the interpretations of FRS ("INT FRS") that are mandatory for the financial year beginning on or after 1 April 2018 is not expected to have any significant impact to the Group.

### 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

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

	<b>The Group</b>	
	<b>As at 30 Jun 2018 US\$'000</b>	<b>As at 30 Jun 2017 US\$'000</b>
<b>Net loss attributable to shareholders</b>	<b>(850)</b>	<b>(1,074)</b>
Finance costs saving on conversion of convertible loan notes	<b>272</b>	<b>-</b>
Net loss for purpose of calculating diluted loss per share	<b>(578)</b>	<b>(1,074)</b>
<b>Earnings per share</b>		
Basic (US cents)	<b>(0.05)</b>	<b>(0.06)</b>
Diluted (US cents) <sup>(1)</sup>	<b>(0.03)</b>	<b>(0.06)</b>
<b>Number of ordinary shares in issue (excluding treasury shares)</b>		
Weighted average number of ordinary shares for the purpose of computing the basic earnings per share	<b>1,770,441,084</b>	<b>1,663,361,963</b>
Effect of potentially dilutive ordinary shares arising from convertible loan notes <sup>(1)</sup>	<b>45,000,000</b>	<b>-</b>
Weighted average number of ordinary shares for the purpose of computing the diluted earnings per share	<b>1,815,441,084</b>	<b>1,663,361,963</b>

**Note:**

(1) Diluted loss per share are calculated by dividing loss for the financial period attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

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

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30 Jun 2018 US\$'000</b>	<b>As at 31 Mar 2018 US\$'000</b>	<b>As at 30 Jun 2018 US\$'000</b>	<b>As at 31 Mar 2018 US\$'000</b>
Net asset value as at end of financial period/year	<b>6,614</b>	<b>7,476</b>	<b>16,697</b>	<b>16,719</b>
Net asset value per ordinary share as at the end of financial period/year (US cents)	<b>0.37<sup>(1)</sup></b>	<b>0.42<sup>(1)</sup></b>	<b>0.94<sup>(1)</sup></b>	<b>0.94<sup>(1)</sup></b>

**Notes:**

(1) Based on 1,770,441,084 issued shares.

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

**Overview**

The Company (and together with its subsidiaries, the "Group" or "Addvalue") is a world recognised "one-stop shop" communications technology products developer, which provides state-of-the-art satellite-based communication and other innovative digital broadband products and solutions for a variety of connectivity between humans, between machines, and between human and machines. The Group has established itself as a key partner to many major players in the satellite communication industry, counting amongst its customer base internationally renowned leaders such as Inmarsat, Thuraya, Singtel, Marlink, Satlink, Intellian, Applied Satellite Technology Ltd and Satcom Global.

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



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

**(a) Review of financial performance of the Group for 1Q2019 (relative to 1Q2018)**

Our Group outperformed its performance in turnover as well as the bottom line in 1Q2019 compared to 1Q2018.

**Turnover**

Our Group registered an increase in turnover of 33.4% or US\$0.3 million from US\$0.8 million in 1Q2018 to US\$1.1 million in 1Q2019. The increase was largely attributed to the maiden delivery of Software Defined Radio communication modules (“SDR Modules”) to a government agency.

**Profitability**

Our Group recorded a gross profit of US\$0.4 million against a gross profit margin of 34.3% for 1Q2019 compared to a gross profit of US\$0.3 million against a gross profit margin of 39.6% for 1Q2018. The decreased gross profit margin was attributable mainly to sales of comparatively lower yielding products.

Our selling and distribution expenses decreased by US\$21,000 or 8.8% from US\$240,000 in 1Q2018 to US\$219,000 in 1Q2019 due mainly to curtailed marketing expenses, albeit an increase in sales staff to promote our new range of solutions and services.

Notwithstanding the increase in sales staff, we continued with our cost containment measures on administrative expenses, which saw a decrease of US\$98,000 or 13.4% from US\$733,000 in 1Q2018 to US\$635,000 in 1Q2019.

Our other operating expenses decreased by US\$163,000 or 34.8% from US\$469,000 in 1Q2018 to US\$306,000 in 1Q2019 chiefly as a result of reduction in amortisation of intangible assets due to the impaired assets.

The higher other operating income recorded in 1Q2018 (relative to 1Q2019) was due mainly to the gain on foreign exchange attributed to our Singapore dollar denominated loans.

The increase in finance expenses in 1Q2019 compared to 1Q2018 was attributed mainly to interest expense for short term loans secured in recent months.

Consequence to the above, our Group incurred a net loss of US\$0.9 million in 1Q2019 compared to a net loss of US\$1.1 million in 1Q2018.

**(b) Review of financial position of the Group as at 30 June 2018 (relative to that as at 31 March 2018)**

The decrease in plant and equipment was attributed mainly to depreciation.

The increase in our intangible assets was attributed mainly to the development expenditures as we continue to develop our proprietary technologies and products, including our space resilient technologies and new spin-off products.

The decrease in inventories was attributed mainly to the delivery of SDR modules in 1Q2019.

The increase in trade receivables was in line with the increased business activities of the Group.

The increase in other payables and accruals were attributed mainly to an advance from a director.

The net increase in borrowings was attributed largely to short term borrowings.

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 from 24.5% as at 31 March 2018 to 39.1% as at 30 June 2018 ;
- (2) the working capital position of the Group reversed from a positive US\$0.1 million as at 31 March 2018 to a negative US\$1.1 million as at 30 June 2018;
- (3) the net cash flow of the Group used in operations decreased from US\$2.0 million in 1Q2018 to US\$0.2 million in 1Q2019; and
- (4) the net asset value of the Group decreased by US\$0.9 million or 11.5% from US\$7.5 million as at 31 March 2018 to US\$6.6 million as at 30 June 2018, with the net asset value per ordinary share decreased from 0.42 US cents per Share as at 31 March 2018 to 0.37 US cents per Share as at 30 June 2018.

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

Not applicable.

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

The Group is actively pursuing the following programs, some of which, barring any unforeseen circumstance, are expected to yield fruitful results in FY2019:

**1. Design Engineering**

We are now at various late stages of discussion on several high value design-cum-supply programs with a few customers that will not only yield immediate design revenue in FY2019 but also pave way for future supply revenues. Our deep capabilities in communication technologies and complex product development have given us a competitive edge to win high value sophisticated development projects from several governments and enterprises. One such striking example is our in-house developed proprietary Software Defined Radio (“SDR”) module, which can be used as a core engine for a variety of proprietary communication systems. The SDR module has generated wide interests, including a secured order of about S\$1.0 million from a Singapore Government agency, and we expect further orders within this current financial year.

**2. Fishing Fleets**

A remarkable breakthrough into the fishery regulatory market was accomplished very recently when the Addvalue iFleetONE terminal together with the Addvalue proprietary Vessel Management System (“Addvalue iFleetONE VMS”) was type-approved by the National Marine Fisheries Service (“NFMS”) Office of Law Enforcement (“OLE”) for fishery regulatory activities in various protected regions in the western coast of the United States of America, including the Alaska, western and central Pacific and Papahānaumokuākea Marine National Monument. This means that the Addvalue iFleetONE VMS solution, by far the first and only Inmarsat Fleet Broadband solution approved by the NFMS/OLE, will be installed on fishing vessels that need to operate in these protected regions. We expect to see the deployment of the Addvalue iFleetONE VMS to start within this financial year. This shall not only lead to a steady growth in sales of the Addvalue iFleetONE terminals but more importantly the recurring and increasing revenue of VMS and air time subscriptions as more fishing vessels will be on board the NFMS/OLE VMS program in the coming years. Meanwhile our efforts to grow the subscription revenue for our supply of equipment bundled with solutions for fishing fleets in the ASEAN regions is also rapidly gaining traction. We expect the momentum to continue to build up, which, over time, is expected to result in not only higher terminal sales but also a corresponding increase in our recurring revenue.

**3. Turnkey Internet-of-Things (“IoT”) Projects**

Riding on the successful proof of concept of our IoT solutions, we are conducting further IoT trials with partners in the vertical markets for water resource management, weather monitoring and asset tracking in the South East Asia region, particularly in Vietnam, the Philippines, Thailand and Indonesia. Such projects which, when proven viable, will lead to wide commercial deployment of our IoT solutions in the said region.

**4. Emerging Market –China and Belt and Road Initiative**

We are hopeful that the re-initiation of the fishing fleet modernization programs in China will improve our terminal sale in this financial year through partners such as Huaan XingKe (Beijing) information Technology Co Ltd and Zhongyou Century (Beijing) Technology Ltd. Meanwhile we are also in pursuit of several engineering projects in IoT and remote control based on satellite communication technologies. On a separate track, we expect to ride on the new opportunities opened up by the newly launched China mobile satellite system known as Tiantong Satellite Communication System to develop customized solutions through strategic partnerships in China. Barring any unforeseen circumstance, we expect the collaboration to yield growing sales and contribute to the revenue of the Group in FY2019 and Beyond.

**5. Inter-satellite Data Relay System (“IDRS”) Business**

On 9 August 2018, we announced our new partnership with Open Cosmos at the just concluded 32<sup>nd</sup> Small Satellite Conference in Utah, USA (the “Small Satellite Conference”) to provide IDRS terminal as an add-on function onto Open Cosmos’ satellites in servicing the latter’s customers who require near real-time communications. Addvalue, co-partnered with Inmarsat, participated at the Small Satellites Conference, and gained a lot of tractions while receiving many enquires and positive feedbacks about its IDRS products and services. The newly forged partnership with Open Cosmos is in addition to similar IDRS partnerships which Addvalue has had established in the past months such as the ones with KSAT in March 2018 and with a major LEO satellite service provider in June 2018. Such a continuous line-up of partnerships testified the commercial tractions for our IDRS products and services, which have not only gained momentum but also in intensity in recent months, and we anticipates a few more IDRS contracts to be signed for the remaining period of FY2019. Accordingly, we expect the partnerships to help accelerate the growth of our IDRS

business in FY2019 and beyond.

Based on the aforesaid, barring any unforeseen circumstance, the Group expects accelerated IDRS and Non-IDRS revenue growths from FY2019 and beyond, with FY2019 to significantly outperform that of FY2018.

*Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and factors such as general economic and business conditions, including the timing or delay in signing, commencement, implementation and performance of programs, or the delivery of products or services under them or the implementation of the improved airtime package by the satellite operators; structural change in the satellite industry; relationships with customers; competition; and the ability to attract personnel. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future and any negative impacts arising from these issues will affect the performance of the Group's businesses, undue reliance must not be placed on these statements.*

**11. 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.

**12. If no dividend has been declared / recommended, a statement to that effect.**

No dividend has been declared or recommended for 1Q2019.

**13. 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 of the Company has had been sought.

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

To the best of our knowledge and belief, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the three months ended 30 June 2018 to be false or misleading in any material aspect.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in [Appendix 7.7](#)) pursuant to Rule 720(1) of the Listing Manual.**

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

For and on behalf of the Board of Directors

Dr Colin Chan Kum Lok  
Chairman & CEO

Tan Khai Pang  
Director

10 August 2018