



UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

FOR THE FIRST HALF FINANCIAL PERIOD ENDED 30 SEPTEMBER
2024 IN RESPECT OF THE FINANCIAL YEAR ENDING 31 MARCH 2025

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A. Condensed Interim Consolidated Income Statement and Statement of Comprehensive Income

| | The Group | | |
|---|--------------------|--------------------|-------------|
| | 1H2025 US\$'000 | 1H2024 US\$'000 | % Change |
| Revenue | 5,700 | 4,619 | 23 |
| Cost of sales | (2,939) | (2,375) | 24 |
| Gross profit | 2,761 | 2,244 | 23 |
| Other operating income | 217 | 140 | 55 |
| Selling and distribution expenses | (401) | (271) | 48 |
| Administrative expenses | (1,573) | (1,771) | (11) |
| Other operating expenses | (663) | (581) | 14 |
| Gain on liquidation of subsidiary | 24 | - | N/m |
| Finance expenses | (313) | (400) | (22) |
| Profit/(Loss) before tax | 52 | (639) | N/m |
| Taxation | - | - | |
| Net profit/(loss) for the period | 52 | (639) | N/m |
| Other comprehensive income/(loss) | - | - | N/m |
| Total comprehensive profit/(loss) for the period | 52 | (639) | N/m |
| Attributable to: | | | |
| Equity holders of the Company | 52 | (639) | N/m |
| Total comprehensive profit/(loss) for the period | 52 | (639) | N/m |

Notes:

"Company" denotes 'Addvalue Technologies Ltd'

"Group" denotes the Company and its subsidiaries

"1H2025" denotes the first half financial period ended 30 September 2024 in respect of the financial year ending 31 March 2025 ("FY2025")

"1H2024" denotes the first half financial period ended 30 September 2023 in respect of the financial year ended 31 March 2024 ("FY2024")

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

"N/m" denotes 'not meaningful'

| | The Group | | |
|---|--------------------|--------------------|-------------|
| | 1H2025 US\$'000 | 1H2024 US\$'000 | % Change |
| Profit/(Loss) before tax was arrived at after charging/(crediting): | | | |
| Depreciation and amortization | 476 | 409 | 16 |
| Foreign exchange loss/(gain) (net) | (3) | (107) | (97) |
| Interest expense | 229 | 299 | (23) |

B. Condensed Interim Statements of Financial Position

| | The Group | | The Company | |
|---|---|---|---|---|
| | As at 30 Sep 2024 (Unaudited) US\$'000 | As at 31 Mar 2024 (Audited) US\$'000 | As at 30 Sep 2024 (Unaudited) US\$'000 | As at 31 Mar 2024 (Audited) US\$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 931 | 903 | - | - |
| Subsidiaries | - | - | 19,085 | 19,085 |
| Intangible assets | 8,514 | 8,148 | - | - |
| | 9,445 | 9,051 | 19,085 | 19,085 |
| Current assets | | | | |
| Inventories | 8,571 | 7,277 | - | - |
| Trade receivables | 2,912 | 3,449 | - | - |
| Other receivables, deposits and prepayments | 1,043 | 1,592 | 7 | 10 |
| Other investment | 2 | 2 | 2 | 2 |
| Due from subsidiaries (non-trade) | - | - | 7,738 | 8,321 |
| Cash and bank balances | 587 | 535 | 3 | - |
| | 13,115 | 12,855 | 7,750 | 8,333 |
| Total assets | 22,560 | 21,906 | 26,835 | 27,418 |
| Current liabilities | | | | |
| Trade payables | 3,909 | 4,624 | - | - |
| Other payables and accruals | 1,798 | 2,415 | 827 | 958 |
| Provisions | 184 | 212 | 169 | 187 |
| Borrowings | 648 | 567 | - | - |
| Derivative financial liabilities | 74 | 74 | 74 | 74 |
| Lease liabilities | 200 | 209 | - | - |
| Contract liabilities | 3,820 | 1,896 | - | - |
| Due to subsidiaries (non-trade) | - | - | 501 | 501 |
| | 10,633 | 9,997 | 1,571 | 1,720 |
| Non-current liabilities | | | | |
| Borrowings | 4,103 | 4,103 | 4,103 | 4,103 |
| Lease liabilities | 214 | 287 | - | - |
| Deferred tax liabilities | 1,385 | 1,385 | - | - |
| | 5,702 | 5,775 | 4,103 | 4,103 |
| Total liabilities | 16,335 | 15,772 | 5,674 | 5,823 |
| Net assets | 6,225 | 6,134 | 21,161 | 21,595 |
| Capital and reserves attributable to equity holders of the Company | | | | |
| Share capital | 89,483 | 89,483 | 89,483 | 89,483 |
| Capital reserve | 747 | 747 | - | - |
| Statutory reserve | - | 8 | - | - |
| Foreign currency translation reserve | - | 40 | - | - |
| Accumulated losses | (84,005) | (84,144) | (68,322) | (67,888) |
| Total equity | 6,225 | 6,134 | 21,161 | 21,595 |

The accompanying notes to the balance sheet:

| Borrowings and debt securities | The Group | |
|---|---|---|
| | As at 30 Sep 2024 US\$'000 | As at 31 Mar 2024 US\$'000 |
| Borrowings | | |
| Amount repayable in one year or less or on demand | | |
| Secured | - | - |
| Unsecured | 648 | 567 |
| | 648 | 567 |
| Amount repayable after one year | | |
| Unsecured | 4,103⁽¹⁾ | 4,103 ⁽¹⁾ |

Note:

(1) Inclusive of the outstanding Renounceable Convertible Bonds (as defined hereinafter)

C. Condensed Interim Consolidated Statement of Cash Flows

| | The Group | |
|--|--------------------|--------------------|
| | 1H2025 US\$'000 | 1H2024 US\$'000 |
| OPERATING ACTIVITIES | | |
| Profit/(loss) before tax | 52 | (639) |
| Adjustments for: | | |
| Amortisation of intangible assets | 280 | 280 |
| Depreciation of property, plant and equipment | 196 | 129 |
| Finance expense | 218 | 299 |
| Unrealised foreign exchange difference | (3) | 44 |
| Reversal of translation forex on liquidation of subsidiary | 40 | - |
| Loss on fixed assets written off | 2 | - |
| Provisions | (28) | (68) |
| Operating profit before changes in working capital | 757 | 45 |
| <i>Changes in working capital</i> | | |
| Inventories | (1,294) | (763) |
| Trade and other receivables | 1,086 | 560 |
| Contract assets | - | 1,128 |
| Trade and other payables | (1,332) | 124 |
| Contract liabilities | 1,924 | - |
| CASH GENERATED FROM OPERATIONS | 1,141 | 1,094 |
| Interest income received | - | - |
| NET CASH GENERATED FROM OPERATING ACTIVITIES | 1,141 | 1,094 |
| INVESTING ACTIVITIES | | |
| Purchase of plant and equipment | (195) | (69) |
| Additions in intangible assets | (646) | (651) |
| NET CASH USED IN INVESTING ACTIVITIES | (841) | (720) |
| FINANCING ACTIVITIES | | |
| Proceeds from borrowings | 118 | 1,030 |
| Repayment of borrowings | (37) | (801) |
| Repayment of lease liabilities | (118) | - |
| Interest paid | (211) | (299) |
| NET CASH USED IN FINANCING ACTIVITIES | (248) | (70) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 52 | 304 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD | 535 | 151 |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD | 587 | 455 |

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 2024 | 89,483 | 747 | 8 | 40 | (84,144) | 6,134 |
| Liquidation of subsidiary | | | (8) | (40) | 87 | 39 |
| Profit for the period | - | - | - | - | 52 | 52 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | 52 | 52 |
| Balance at 30 Sep 24 | 89,483 | 747 | - | - | (84,005) | 6,225 |

| | 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 | 15 | (84,422) | 5,831 |
| Profit for the period | - | - | - | - | (639) | (639) |
| Other comprehensive income, net of tax | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | (639) | (639) |
| Balance at 30 Sep 23 | 89,483 | 747 | 8 | 15 | (85,061) | 5,192 |

| | The Company | | | |
|---------------------------------|---------------|-----------------|--------------------|----------|
| | Share capital | Capital reserve | Accumulated losses | Total |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Balance at 1 Apr 2024 | 89,483 | - | (67,888) | 21,595 |
| Comprehensive loss for the year | - | - | (434) | (434) |
| Balance at 30 Sep 2024 | 89,483 | - | (68,322) | 21,161 |

| | 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 loss for the year | - | - | (48) | (48) |
| Balance at 30 Sep 2023 | 89,483 | - | (67,433) | 22,050 |

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 1H2025 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 audited annual financial statement for FY2024.

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

A number of amendments to the Standards have become applicable for 1H2025. The Group, however did not have to change its accounting policies or make retrospective adjustments as a result of the adoption of those Standards.

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 and for FY2024.

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 1H2025.

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 telecommunication equipment and related products and components, including the provision of related design services.

| 30 Sep 2024 | EMEA ⁽¹⁾ US\$'000 | North America US\$'000 | Asia Pacific US\$'000 | Total US\$'000 |
|---------------------------------------|---------------------------------|---------------------------|--------------------------|-------------------|
| Revenue | | | | |
| Total revenue from external customers | 368 | 1,157 | 4,175 | 5,700 |
| <i>% Contribution</i> | 7% | 20% | 73% | 100% |
| Segment result | 178 | 561 | 2,022 | 2,761 |
| Unallocated expenses | | | | (2,613) |
| Other income | | | | 217 |
| Finance expenses | | | | (313) |
| Loss before tax | | | | 52 |
| Income tax | | | | - |
| Profit for the period | | | | 52 |
| Segment assets | | | | |
| - Segment assets | - | 1,306 | 21,254 | 22,560 |
| Segment liabilities | | | | |
| - Segment liabilities | - | 1,949 | 13,001 | 14,950 |
| - Deferred tax liabilities | - | - | 1,385 | 1,385 |
| Total liabilities | | | | 16,335 |
| Other information | | | | |
| Capital expenditure | | | | |
| - Plant and equipment | - | - | 224 | 224 |
| - Intangible assets | - | - | 646 | 646 |
| Depreciation and amortisation | 30 | 97 | 349 | 476 |

Note:

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

| 30 Sep 2023 | EMEA ⁽¹⁾ US\$'000 | North America US\$'000 | Asia Pacific US\$'000 | Total US\$'000 |
|---------------------------------------|---------------------------------|---------------------------|--------------------------|-------------------|
| Revenue | | | | |
| Total revenue from external customers | 249 | 663 | 3,707 | 4,619 |
| <i>% Contribution</i> | 5% | 15% | 80% | 100% |
| Segment result | 112 | 337 | 1,795 | 2,244 |
| Unallocated expenses | | | | (2,623) |
| Other income | | | | 140 |
| Finance expenses | | | | (400) |
| Loss before tax | | | | (639) |
| Income tax expense | | | | - |
| Loss for the period | | | | (639) |

| 30 Sep 2023 | EMEA ⁽¹⁾ US\$'000 | North America US\$'000 | Asia Pacific US\$'000 | Total US\$'000 |
|-------------------------------|---------------------------------|---------------------------|--------------------------|-------------------|
| Segment assets | | | | |
| - Segment assets | 1 | 3 | 17,164 | 17,168 |
| Segment liabilities | | | | |
| - Segment liabilities | - | 2 | 10,275 | 10,277 |
| - Deferred tax liabilities | - | - | | 1,699 |
| Total liabilities | | | | 11,976 |
| Other information | | | | |
| Capital expenditure | | | | |
| - Plant and equipment | - | - | 69 | 69 |
| - Intangible assets | - | - | 651 | 651 |
| Depreciation and amortisation | 20 | 61 | 328 | 409 |

Note:

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

4.2 By revenue streams

The business transformation pursued by the Group over the past 4 years has streamlined our revenue into the four revenue streams as follows:

| Turnover | The Group | | | |
|----------------------|--------------|----------------|----------|----------------|
| | 1H2025 | | 1H2024 | |
| | US\$'000 | % Contribution | US\$'000 | % Contribution |
| SPC-Related Business | 1,942 | 34 | 805 | 17 |
| ADR-Related Business | 2,848 | 50 | 2,950 | 64 |
| STC-Related Business | 114 | 2 | 330 | 7 |
| SDS-Related Business | 796 | 14 | 534 | 12 |
| | 5,700 | 100 | 4,619 | 100 |

By geographical segments

The changes in their percentage contributions from each segment in 1H2025 for both the North America and Asia Pacific segments mainly due to the improved delivery to North America segment in line with our customers' schedule over the better performance put up by the Asia Pacific segment. The turnover contribution from the EMEA segment remained low due largely to the continued low demand for our maritime products from the said region.

By revenue streams

Our ADR-Related Business dominates the revenue in 1H2025 as the business continues to gain traction in the market that it trades in. On the other hand, SPC-Related Business showed improvement with its delivery following closely to our customers' schedule for the period under review.

5. Employee benefits expense and Directors' fee

| | The Group | |
|---|------------------|-----------------|
| | 1H2025 | 1H2024 |
| | US\$'000 | US\$'000 |
| Employee benefits expense (including Directors): | | |
| - Salaries, bonuses and others | 1,968 | 1,784 |
| - Contribution to defined contribution plans | 201 | 186 |
| | 2,169 | 1,970 |
| Directors' fees | 74 | 95 |
| | 2,243 | 2,065 |

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 2024 | 30,695 | 90 | 1,357 | 32,142 |
| Additions | 646 | - | - | 646 |
| <hr/> | | | | |
| At 30 Sep 2024 | 31,341 | 90 | 1,357 | 32,788 |
| <u>Accumulated amortisation</u> | | | | |
| At 1 Apr 2024 | (11,782) | (44) | (1,357) | (13,183) |
| Amortisation charge for the financial period | (280) | - | - | (280) |
| <hr/> | | | | |
| At 30 Sep 2024 | (12,062) | (44) | (1,357) | (13,463) |
| <u>Accumulated impairment</u> | | | | |
| At 1 Apr 2024 | (10,811) | - | - | (10,811) |
| Impairment losses | - | - | - | - |
| <hr/> | | | | |
| At 30 Sep 2024 | (10,811) | - | - | (10,811) |
| <u>Carrying amount</u> | | | | |
| At 30 Sep 2024 | 8,468 | 46 | - | 8,514 |
| At 31 Mar 2024 | 8,102 | 46 | - | 8,148 |

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

| | The Group | |
|-----------------------------|--------------------------------|--------------------------------|
| | As at 30 Sep 24 US\$'000 | As at 31 Mar 24 US\$'000 |
| Trade receivables | 2,914 | 3,451 |
| <u>Less: loss allowance</u> | <u>(2)</u> | <u>(2)</u> |
| | <u>2,912</u> | <u>3,449</u> |

The Group's trade receivables are non-interest bearing and are generally ranging from 0 to 60 days (2024: 0 to 60) days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

8. Other receivables, deposits and prepayments

| | The Group | |
|-----------------------------|--------------|--------------|
| | As at | As at |
| | 30 Sep 24 | 31 Mar 24 |
| | US\$'000 | US\$'000 |
| Deposits | 159 | 159 |
| Other receivables | 353 | 357 |
| Prepayments | 284 | 183 |
| Prepayments to suppliers | 247 | 893 |
| <u>Less: loss allowance</u> | - | - |
| | <u>1,043</u> | <u>1,592</u> |

Prepayments mainly relate to payments to Vendors for contract manufacturing and contracted suppliers to shorten lead time for delivery of goods and services.

9. Other payables and accruals

| | The Group | | The Company | |
|-----------------------------|--------------|--------------|-------------|------------|
| | As at | As at | As at | As at |
| | 30 Sep 24 | 31 Mar 24 | 30 Sep 24 | 31 Mar 24 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Accrued operating expenses: | | | | |
| - Employee benefits | 551 | 962 | 411 | - |
| - Directors' fees | 74 | 52 | 74 | 52 |
| - Others | 718 | 425 | - | 333 |
| Other payables | 455 | 976 | 342 | 573 |
| | <u>1,798</u> | <u>2,415</u> | <u>827</u> | <u>958</u> |

Other 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) term as agreed with suppliers.

10. Borrowings

| | The Group | | The Company | |
|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 30 Sep 24 US\$'000 | As at 31 Mar 24 US\$'000 | As at 30 Sep 24 US\$'000 | As at 31 Mar 24 US\$'000 |
| <u>Due within one year</u> | | | | |
| Loans | 193 | 100 | - | - |
| Bills payable | 455 | 467 | - | - |
| | 648 | 567 | - | - |
| <u>Due after one year or more</u> | | | | |
| Convertible loan notes | 707 | 707 | 707 | 707 |
| Redeemable convertible bonds | 3,396 | 3,396 | 3,396 | 3,396 |
| | 4,103 | 4,103 | 4,103 | 4,103 |
| | 4,751 | 4,670 | 4,103 | 4,103 |
| <u>Total borrowings</u> | | | | |
| Loans | 193 | 100 | - | - |
| Bills Payable | 455 | 467 | - | - |
| Convertible loan notes | 707 | 707 | 707 | 707 |
| Redeemable convertible bonds | 3,396 | 3,396 | 3,396 | 3,396 |
| | 4,751 | 4,670 | 4,103 | 4,103 |

Bills payable relate to short-term trade finance loans, bear a fixed interest 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.

On 4 November 2022 (the “**Completion Date**”), the Company issued redeemable convertible bonds (the “**bonds**”) with principal amount of S\$5.0m (approximately US\$3.6m) at a discounted price of S\$0.931. The bonds 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 shares at any time after completion date but not less than 10 days prior to the maturity date.

In 2024, the Company issued Convertible Loan Notes (“**CLN**”) in two tranches 39,000,000 and 39,500,000 with free detachable warrants raising an aggregate principal amount of S\$507,000 and S\$513,500 respectively, approximately an aggregate of US\$760,000. The CLN 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 amounts from the issued date, payable semi-annually in arrears. The CLN come with a redeemable feature, which allows the Company to redeem them after the issue date till the maturity date.

11. Subsequent events after 30 September 2024

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

12. Unaudited Financial Statement Reporting

As the Company has a clean Annual Report for FY2024, the Company is not required to release its unaudited financial statements on a quarterly basis and will continue with its current practice to release its unaudited condensed interim financial statements on a semi-annual basis. Accordingly, our next unaudited financial statement will be released for the six months and full financial year ending 31 March 2025, by not later than 60 days after the financial year end.

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 | 3,242,032,092 | 89,483 |
| Issue of new shares during the period | Nil | Nil |
| Balance as at 30 September 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\$5.01m 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\$4.66m (US\$3.30m). 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 1H2025.

Save for the allotment and issuance of the Convertible Loan Notes Placement, there was no movement in the share capital of the Company during 1H2025.

Save for the outstanding Redeemable Convertible Bonds, 2024 Convertible Loan Notes and the 2024 Detachable Warrants as at 30 September 2024, 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 2024 to 30 September 2024.

Use of the proceeds from the issuance of Rights, Placement and Warrants Shares (pursuant to Rule 704(30))

Not applicable

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 are tabulated as follows:

| The Company | As at 30 Sep 2024 | As at 31 Mar 2024 |
|--|----------------------|-------------------|
| Total number of issued ordinary shares (excluding treasury shares) | 3,242,032,092 | 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.

| | The Group | |
|--|----------------------|--------------------|
| | 1H2025 US\$'000 | 1H2024 US\$'000 |
| Net profit / (loss) attributable to Shareholders | 52 | (639) |
| Number of ordinary shares in issue (excluding treasury shares) | | |
| Weighted average number of ordinary shares for the purpose of computing the basic loss per share | 3,242,032,092 | 3,242,032,092 |
| Profit / (Loss) per share | 0.001 | (0.02) |
| Basic and diluted (US cents) | | |

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 30 Sep 2024 US\$'000 | As at 31 Mar 2024 US\$'000 | As at 30 Sep 2024 US\$'000 | As at 31 Mar 2024 US\$'000 |
| Net asset value as at end of financial period/year | 6,225 | 6,134 | 21,135 | 21,595 |
| Net asset value per ordinary share as at the end of financial period/year (US cents) | 0.19⁽¹⁾ | 0.19 ⁽¹⁾ | 0.65⁽¹⁾ | 0.67 ⁽¹⁾ |

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 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 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 only have to 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 1H2025 (relative to 1H2024)

| | 1Q2025 US\$'000 | 2Q2025 US\$'000 | 1H2025 US\$'000 | 1H2024 US\$'000 |
|--------------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue | 1,481 | 4,219 | 5,700 | 4,619 |
| Gross Profit | 640 | 2,121 | 2,761 | 2,244 |
| Operating profit/ (loss) | (622) | 674 | 52 | (639) |
| EBITDA | (358) | 1,199 | 841 | 170 |

Turnover

The Group continued to improve its business and registered a turnover of US\$5.7m in 1H2025 *vis-à-vis* that of US\$4.6m in 1H2024 at a growth rate of about 23% with SPC continuing its growth momentum

Profitability

For 1H2025, the Group recorded a gross profit of US\$2.76m against a gross profit margin of 48% as compared to a gross profit of US\$2.24m against a gross profit margin of 49% for 1H2024. The lower gross profit margin is mainly due to the product mix of the sales for the period under review.

Selling and distribution expenses of the Group increased by US\$130,000 or 48% from US\$271,000 in 1H2024 to US\$401,000 in 1H2025 mainly due to increase in marketing expenses offset by decrease in travelling and exhibitions costs.

Administrative expenses of the Group decreased from US\$1.78m in 1H2024 to US\$1.57m in 1H2025 primarily due to forex gain in 1HFY2025 instead of loss in 1HY2024 and decline in salaries and other personnel-related expenses in line with key personnel changes.

Other operating income of the Group in 1H2025 mainly related to the Government grants received.

The lower finance expenses incurred by the Group in 1H2025 was mainly attributable to the lower borrowing costs.

Overall, the Group achieved a net profit of US\$52k in 1H2025, reversing from the net loss of US\$0.6m in 1H2024.

Review of financial position as at 30 September 2024 (relative to that as at 31 March 2024)

Long-term assets

The increase in property, plant and equipment of the Group was attributed mainly to the purchase of new property, plant and equipment.

The intangible assets mainly relate 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.

Current assets

The increase in inventories was attributed mainly to the procurement of long lead time materials for the fulfilment of customers' orders from both ADR and SPC business.

The decrease in trade receivables were mainly due to settlement by customers.

Other receivables, deposits and prepayments mainly relates to payments to Vendors for contract manufacturing and contracted suppliers to shorten lead time for delivery of goods and services. It reduced by US\$600K from US\$1.6m to US\$1.0m mainly due to completion of production by outsourced contractors resulting the deposit paid being booked into our cost of goods sold.

Current liabilities

The trade payables and other payables and accruals decreased by US\$1.3m from US\$7.0m to US\$5.7m due to settlement of accounts.

Provisions of US\$184k from US\$212k relates to warranty provision and directors' fees.

The increase in borrowings was attributed principally to higher utilisation to finance increased operating activities.

The increase in contract liabilities, which relate to advances and deposits from customers, was attributed mainly to progressive payments from customers for new orders received.

Consequence to the above:

1. the gearing of the Group (defined as the ratio of borrowings less cash and bank balances of the Group to the shareholders' fund of the Group) decreased from 67.4% as at 31 March 2024 to 67.2% as at 30 September 2024;
2. the working capital position of the Group was reduced from US\$2.86m as at 31 March 2024 to US\$2.48m as at 30 September 2024;
3. the net cash flow of the Group recorded US\$1.14m cash generated from operations for the 1H2025 as compared to the US\$1.09m in 1H2024;
4. the cash and cash equivalents as at end of the period stood at US\$587k and US\$455k for 1H2025 and 1H2024 respectively; and
5. the net asset value per ordinary share remained at 0.19 US cents per Share as at 31 March 2024 and 0.19 US cents per Share as at 30 September 2024.

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 growth in revenue achieved in 1H2025 as compared to 1H2024 as well as the achieving positive profit after tax and EBIDTA and we expect the momentum to continue for the next 12 months.

We expect our future growth to be strongly driven by the twin engines: ADR-related business and SPC-related business.

Our ADR-related business refers to the supply of a diverse range of software defined radio modules customised for our clients, and ADRS1000™ module, a state-of-the-art multi-channel RF System-on-Module (RFSOM) for more generic smart radio applications. Since the start of this financial year we have secured about US\$7.4m with reference to our SGX announcements dated 23 May 2024 and dated 11 Nov 2024. We expect new orders to continue into the next financial year in tandem with the increased adoption of such technologies in both commercial and defence industries.

Separately, our SPC-related business registers unabated growth through the offering of IDRS service, the world first and only near-real-time, always-on data communication solutions for the burgeoning commercial LEO satellite industry. We not only receive repeated orders from existing customers as part of their satellite fleet expansion plans to address business demands, we also signed up new accounts. Since the beginning of this financial year, we have received new orders amounting to about US\$5m, including about US\$1m from two newly acquired customers as per our SGX announcement dated 7 Nov 2024. We expect this sale momentum to continue into the second half of this financial year and the next financial year. While our IDRS terminals delivery for the first half is on course, we expect significantly more terminals to be delivered in the second half compared to that of the first half. At the same time, based on the feedback from our customers, more launches into orbits will be made in the next 12 months, thereby taking our recurring airtime revenue to a new height.

As of this writing the Group's outstanding order book stands at US\$14.5m. The Group expects the confirmed orders to be fulfilled within the next 12 months.

Barring any unforeseen circumstances, we are confident that the Group will perform better in FY2025 relative to FY2024 in view of the growing trend in the period under review.

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 1H2025 as the Company is in the emerging phase from the previous 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.

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 Condensed Interim Financial Statement for 1H2025 to be false or misleading in any material aspect.

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.

For and on behalf of the Board of Directors

Tan Khai Pang
CEO

14 November 2024