



# UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

FOR THE FIRST HALF FINANCIAL PERIOD ENDED 30 SEPTEMBER  
2022 IN RESPECT OF THE FINANCIAL YEAR ENDING 31 MARCH  
2023

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

	The Group		
	1H2023 US\$'000	1H2022 US\$'000	% Change
<b>Revenue</b>	<b>2,460</b>	1,617	52.1
Cost of sales	<b>(922)</b>	(563)	(63.8)
<b>Gross profit</b>	<b>1,538</b>	1,054	45.9
Other operating income	<b>159</b>	66	140.9
Selling and distribution expenses	<b>(312)</b>	(162)	(92.6)
Administrative expenses	<b>(1,461)</b>	(1,149)	(27.2)
Other operating expenses	<b>(573)</b>	(563)	(1.8)
<b>Loss from operations</b>	<b>(649)</b>	(754)	13.9
Finance expenses	<b>(356)</b>	(339)	5.0
<b>Loss before tax</b>	<b>(1,005)</b>	(1,093)	8.1
Taxation	-	-	-
<b>Net loss for the period</b>	<b>(1,005)</b>	(1,093)	8.1
Other comprehensive income/(loss):			
- Exchange differences arising from translation of foreign operations	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(1,005)</b>	(1,093)	8.1
<b>Attributable to:</b>			
Equity holders of the Company	<b>(1,005)</b>	(1,093)	8.1
<b>Total comprehensive loss for the period</b>	<b>(1,005)</b>	(1,093)	8.1

### Notes:

"Company" denotes 'Addvalue Technologies Ltd'

"Group" denotes the Company and its subsidiaries

"1H2023" denotes the first half financial period ended 30 September 2022 in respect of the financial year ending 31 March 2023 ("FY2023")

"1H2022" denotes the first half financial period ended 30 September 2021 in respect of the financial year ended 31 March 2022 ("FY2022")

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

"N/m" denotes 'not meaningful'

	The Group		
	1H2023	1H2022	%
	US\$'000	US\$'000	Change

Loss before tax was arrived at after charging/(crediting):

Depreciation and amortization	<b>500</b>	477	(4.8)
Foreign exchange loss/(gain) (net)	<b>(153)</b>	3	N/m
Interest expense	<b>219</b>	319	31.3

## B. Condensed Interim Statements of Financial Position

	The Group		The Company	
	As at 30 Sept 2022 (Unaudited) US\$'000	As at 31 Mar 2022 (Audited) US\$'000	As at 30 Sept 2022 (Unaudited) US\$'000	As at 31 Mar 2022 (Audited) US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	365	473	-	-
Subsidiaries	-	-	19,549	19,549
Intangible assets	8,148	8,625	-	-
	<b>8,513</b>	<b>9,098</b>	<b>19,549</b>	<b>19,549</b>
<b>Current assets</b>				
Inventories	4,723	2,851	-	-
Trade receivables	318	1,448	-	-
Other receivables, deposits and prepayments	567	594	8	-
Other investment	268	268	268	268
Contract assets	317	-	-	-
Due from subsidiaries (non-trade)	-	-	14,566	10,328
Cash and bank balances	995	632	40	1
	<b>7,188</b>	<b>5,793</b>	<b>14,882</b>	<b>10,597</b>
<b>Total assets</b>	<b>15,701</b>	<b>14,891</b>	<b>34,431</b>	<b>30,146</b>
<b>Current liabilities</b>				
Trade payables	357	641	-	-
Other payables and accruals	1,449	3,159	359	760
Provisions	74	125	69	121
Borrowings	2,544	5,793	2,482	3,862
Lease liabilities	6	96	-	-
Contract liabilities	1,568	923	-	-
Due to subsidiaries (non-trade)	-	-	529	560
	<b>5,998</b>	<b>10,737</b>	<b>3,439</b>	<b>5,303</b>
<b>Non-current liabilities</b>				
Borrowings	-	14	-	-
Lease liabilities	-	11	-	-
Deferred tax liabilities	1,699	1,699	-	-
	<b>1,699</b>	<b>1,724</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>7,697</b>	<b>12,461</b>	<b>3,439</b>	<b>5,303</b>
<b>Net assets</b>	<b>8,004</b>	<b>2,430</b>	<b>30,992</b>	<b>24,843</b>
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	89,695	83,116	89,695	83,116
Capital reserve	1,827	1,827	1,080	1,080
Statutory reserve	8	8	-	-
Foreign currency translation reserve	(11)	(11)	-	-
Accumulated losses	(83,515)	(82,510)	(59,783)	(59,353)
<b>Total equity</b>	<b>8,004</b>	<b>2,430</b>	<b>30,992</b>	<b>24,843</b>

The accompanying notes to the balance sheet:

	<b>The Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>30 Sep 2022</b>	<b>31 Mar 2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Amount repayable in one year or less or on demand		
Secured	-	-
Unsecured	<u>2,544<sup>(1)</sup></u>	<u>5,793<sup>(2)</sup></u>
	<u><b>2,544</b></u>	<u><b>5,793</b></u>
Amount repayable after one year		
Unsecured	<u>-</u>	<u>14</u>

**Note:**

(1) *Inclusive of the outstanding Undertaking Shareholders' Loans (as defined hereinafter)*

(2) *Inclusive of the outstanding 2019 Convertible Loan Note (as defined hereinafter)*

## C. Condensed Interim Consolidated Statement of Cash Flows

	The Group	
	1H2023 US\$'000	1H2022 US\$'000
<b>OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	(1,005)	(1,093)
Adjustments for:		
Amortisation of intangible assets	307	281
Depreciation of property, plant and equipment	193	196
Interest expense	219	319
Unrealised foreign exchange loss/(gain)	(192)	(11)
Provision	(51)	(44)
Operating profit/(loss) before changes in working capital	(529)	(352)
<i>Changes in working capital</i>		
Inventories	(1,872)	(140)
Trade and other receivables	1,157	(188)
Contract assets	(317)	(502)
Trade and other payables	(1,993)	1,620
Contract liabilities	645	706
<b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>	<b>(2,909)</b>	1,144
Interest income received	-	-
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>(2,909)</b>	1,144
<b>INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(85)	(75)
Additions in intangible assets	(619)	(1,032)
Proceeds from government grants	788	491
<b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>84</b>	(616)
<b>FINANCING ACTIVITIES</b>		
Net proceeds from issue of shares	4,631	-
Repayment of convertible loan notes	(2,755)	-
Proceeds from borrowings	2,502	347
Repayment of borrowings	(408)	(647)
Repayment of lease liabilities	(101)	(108)
Interest paid	(681)	(147)
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>3,188</b>	(555)
NET INCREASE IN CASH AND CASH EQUIVALENTS	363	(27)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	632	274
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<b>995</b>	<b>247</b>

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
Profit for the year	-	-	-	-	(1,005)	(1,005)
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(1,005)	(1,005)
<u>Contribution by and distribution to owners</u>						
Issuance of new shares: Pursuant to placement shares, net of expenses	2,901	-	-	-	-	2,901
Pursuant to warrant shares, net of expenses	1,721	-	-	-	-	1,721
Pursuant to Optional Subscription Shares, net of expenses	1,957					1,957
Balance at 30 Sep 22	89,695	1,827	8	(11)	(83,515)	8,004

	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 2021	80,578	2,354	8	(4)	(75,073)	7,863
Profit for the year	-	-	-	-	(1,093)	(1,093)
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	-	(1,093)	(1,093)
Balance at 30 Sep 21	80,578	2,354	8	(4)	(76,166)	6,770



	The Company			
	Share capital	Capital reserve	Accumulated losses	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 Apr 2022	83,116	1,080	(59,353)	24,843
Comprehensive loss for the financial year	-	-	(430)	(430)
Issuance of new shares:				
Pursuant to the share placement, net of expenses	2,901	-	-	2,901
Pursuant to warrants shares, net of expenses	1,721	-	-	1,721
Pursuant to Optional Subscription shares, net of expenses	1,957	-	-	1,957
Balance at 30 Sep 2022	89,695	1,080	(59,783)	30,992

	The Company			
	Share capital	Capital reserve	Accumulated losses	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Apr 2021	80,578	1,607	(59,400)	22,785
Comprehensive loss for the year	-	-	(181)	(181)
Balance at 30 Sep 2021	80,578	1,607	(59,581)	22,604

## 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 1H2023 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 FY2022.

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.

### Going concern assumption

For 1H2023, the Group incurred a net loss of US\$1.0 million (1H2022: US\$1.1 million), recorded a net operating cash inflows (outflows) of (US\$2.9) million (1H2022: US\$1.1 million) and a net current asset/(liabilities) of US\$1.2 million as at 30 September 2022 (31 March 2022: (US\$4.9 million)).

Notwithstanding the above, the Condensed Interim Financial Statements have been prepared on the assumption that the Company will continue to operate as a going concern as the directors of the Company (the "**Directors**") believe that the use of the going concern assumption in the preparation and presentation of the Condensed Interim Financial Statements for 1H2023 remains appropriate after taking into account the following factors which enable the Group to fulfil its obligations towards its creditors as and when such obligations fall due:

1. The internal funds generated or to be generated from the Group's ongoing business; and
2. The additional US\$3.30 million (S\$4.66 million) raised via a Proposed Renounceable Non-underwritten Rights Issue of Discounted and Redeemable Convertible Bonds ("**RCB**") which was completed on 8 November 2022.

The Company will continue to prudently monitor its cashflows. It will make further announcements to update the shareholders of the Company (the "**Shareholders**") on material developments concerning the aforesaid and any fund-raising activities as they arise.

This validity of the going concern basis on which the Condensed Interim Financial Statements are prepared depends on the Directors' assessment of the Group's ability to operate as a going concern as set forth above. The assumptions are premised on future events, the outcome of which are inherently uncertain.

### 2.1 New and amended Standards adopted by the Group

A number of amendments to the Standards have become applicable for 1H2023. 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 2022 and for FY2022.

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 1H2023.

## 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 September 2022	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	22	1,216	1,222	2,460
<hr/>				
% Contribution	1%	49%	50%	100%
Segment result	15	754	769	1,538
<b>Unallocated expenses</b>				(2,346)
Other income				159
Finance expenses				(356)
Loss before tax				(1,005)
Income tax expense				-
<b>Loss for the year</b>				<u>(1,005)</u>
<b>Segment assets</b>				
- Segment assets	2	268	15,431	<u>15,701</u>
<b>Segment liabilities</b>				
- Segment liabilities	-	139	5,859	5,998
- Deferred tax liabilities	-	-	1,699	<u>1,699</u>
<b>Total liabilities</b>				<u>7,697</u>
<b>Other information</b>				
Capital expenditure				
- Plant and equipment	-	-	85	85
- Intangible assets	-	-	619	619
Depreciation and amortisation	-	-	500	500

**Note:**

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

30 September 2021	EMEA <sup>(1)</sup> US\$'000	North America US\$'000	Asia Pacific US\$'000	Total US\$'000
<b>Revenue</b>				
Total revenue from external	9	858	750	1,617
% Contribution	1%	53%	46%	100%
Segment result	4	655	395	1,054
<b>Unallocated expenses</b>				(1,874)
Other income				66
Finance expenses				(339)
Loss before tax				(1,093)
Income tax reversal				-
<b>Loss for the year</b>				(1,093)
<b>Segment assets</b>				
- Segment assets	5	6,046	15,081	21,132
<b>Segment liabilities</b>				
- Segment liabilities	386	137	12,205	12,728
- Deferred tax liabilities	-	-	1,634	1,634
<b>Total liabilities</b>				14,362
<b>Other information</b>				
Capital expenditure				
- Plant and equipment	-	-	75	75
- Intangible assets	-	-	1,032	1,032
Depreciation and amortisation	-	-	477	477

**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			
	1H2023		1H2022	
	US\$'000	% Contribution	US\$'000	% Contribution
SPC-Related Business	1,515	61	718	44
ADR-Related Business	583	24	285	18
STC-Related Business	322	13	614	38
Design Engineering Services	40	2	-	-
	<b>2,460</b>	<b>100</b>	1,617	100

By geographical segments

There are marginal changes in their percentage contributions from each segment in 1H2023 as the same level of business growth came from both the North America and Asia Pacific segment. The turnover

contribution from the EMEA region remained low due largely to the continued anemic demand for our maritime products from the said region.

#### By revenue streams

Our SPC-Related Business continues to dominate the revenue in 1H2023 as the business continues to gain traction globally.

### 5. Employee benefits expense

	The Group	
	1H2023 US\$'000	1H2022 US\$'000
Employee benefits expense (including Directors):		
- Salaries, bonuses and others	1,633	1,744
- Contribution to defined contribution plans	170	179
	<b>1,803</b>	1,923
Directors' fees	69	42
	<b>1,872</b>	1,965
Charged to consolidated statement of profit or loss and other comprehensive income	1,479	1,048
Capitalised in development expenditure	393	917
	<b>1,872</b>	1,965

### 6. Intangible assets

The Group	Development expenditure US\$'000	Patents US\$'000	Computer software US\$'000	Total US\$'000
<b>Cost</b>				
At 1 Apr 2022	32,705	83	1,357	34,145
Additions	616	3	-	619
Government grant	(788)	-	-	(788)
At 30 Sep 2022	32,533	86	1,357	33,976
<b>Accumulated amortisation</b>				
At 1 Apr 2022	12,768	44	1,357	14,169
Amortisation charge for the financial period	307	-	-	307
At 30 Sep 2022	13,075	44	1,357	14,476
<b>Accumulated impairment</b>				
At 1 Apr 2022	11,352	-	-	11,352
Impairment losses	-	-	-	-
At 30 Sep 2022	11,352	-	-	11,352

The Group	Development expenditure US\$'000	Patents US\$'000	Computer software US\$'000	Total US\$'000
<b>Carrying amount</b>				
At 30 Sep 2022	8,106	42	-	8,148
At 31 Mar 2022	8,585	40	-	8,625

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 FY2022.

## 7. Trade receivables

	The Group	
	As at 30 Sep 22 US\$'000	As at 31 Mar 22 US\$'000
Trade receivables	6,318	7,448
Less: loss allowance	(6,000)	(6,000)
	<b>318</b>	<b>1,448</b>

Trade receivables include an amount of US\$6 million (FY2021: US\$6 million) 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 17 August 2020, 2 million shares of the customer had been earmarked to be issued to the Group via a trust deed. On 29 September 2020, the trust deed was extended to 31 December 2021 and on 1 January 2022, was further extended to 31 December 2022. The number of shares to be issued will be dependent on the valuation of the customer upon completion of its fund raising exercise, to be completed before end of 2022.

In consideration of the delays of the transfer of 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(1) 9 Financial Instruments*, accordingly, the Group recorded loss allowance of US\$6 million in FY2022.

## 8. Other receivables, deposits and prepayments

	The Group	
	As at 30 Sep 22 US\$'000	As at 31 Mar 22 US\$'000
Deposits	85	85
Other receivables	430	427
Prepayments	109	87
Prepayments to suppliers	283	335
Less: loss allowance	(340)	(340)
	<b>567</b>	<b>594</b>

**9. Other payables and accruals**

	The Group		The Company	
	As at	As at	As at	As at
	30 Sep 22	31 Mar 22	30 Sep 22	31 Mar 22
	US\$'000	US\$'000	US\$'000	US\$'000
Accrued operating expenses:				
- Employee benefits	948	1,964	-	-
- Directors' fees	-	80	-	80
- Others	342	277	288	54
Due to Directors	8	279	-	239
Other payables	151	559	71	387
	<b>1,449</b>	<b>3,159</b>	<b>359</b>	<b>760</b>

**10. Borrowings**

	The Group		The Company	
	As at	As at	As at	As at
	30 Sep 22	31 Mar 22	30 Sep 22	31 Mar 22
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Due within one year</u>				
Loans	2,544	3,038	2,482	1,107
Convertible loan notes	-	2,755	-	2,755
	<b>2,544</b>	<b>5,793</b>	<b>2,482</b>	<b>3,862</b>
<u>Due after one year or more</u>				
Loans	-	14	-	-
	<b>2,544</b>	<b>5,807</b>	<b>2,482</b>	<b>3,862</b>
<u>Total borrowings</u>				
Loans	2,544	3,052	2,482	1,107
Convertible loan notes	-	2,755	-	2,755
	<b>2,544</b>	<b>5,807</b>	<b>2,482</b>	<b>3,862</b>

On 2 December 2021, the 2020 Convertible Loan Notes of the Company was terminated and converted into a term loan and were fully settled on 3 June 2022.

On 30 June 2022, the 2019 Convertible Loan Notes of the Company was terminated and converted into a term loan and were fully settled on 22 July 2022.

**11. Subsequent Events after 30 September 2022****11.1 Proposed Renounceable Non-underwritten Rights Issue of Discounted and Redeemable Convertible Bonds**

Pursuant to a Proposed Renounceable Non-underwritten Rights Issue of Discounted and Redeemable Convertible Bonds ("RCB") exercise by the Company which was completed on 8 November 2022, the Company has issued a total of 5,006,340 in principal amount of Convertible Bonds at a discounted price of S\$0.931 for a total proceed of US\$3.30 million (S\$4.66 million).

## 11.2 Optional Subscription Rights

As announced on even date, the balance 197,000,000 Optional Subscription Rights granted to Economic Development Innovations Singapore Pte Ltd (“EDIS”) has lapsed with no further force and effect. There is no outstanding Optional Subscription Rights thereafter.

## 12. Unaudited Financial Statement Reporting

As the Company has a clean Annual Report for FY2022 as compared to the previous Annual Report for FY2021 in which auditor has highlighted a material uncertainty related to going concern, 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. and accordingly, our next unaudited financial statement will be released for the six months and full financial year ending 31 March 2023, 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 2022	2,524,601,975	83,116
Issue of new shares pursuant to the May 2022 Placement Shares (as defined below)	169,070,000	1,542
– net of share issue expenses		
Issue of new shares pursuant to the January 2022 Warrant Shares (as defined below)	185,240,000	1,721
– net of share issue expenses		
Issue of new shares pursuant to the Optional Subscription Shares (as defined below)	228,000,000	1,957
– net of share issue expenses		
Issue of new shares pursuant to the August 2022 Placement Shares (as defined below)	135,120,000	1,359
– net of share issue expenses		
Balance as at 30 September 2022	3,242,031,975	89,695

### A. May 2022 Placement Shares

On 10 May 2022, pursuant to a placement exercise approved at an Extraordinary General Meeting (“EGM”) held on 29 April 2022, the Company allotted and issued 169,070,000 new ordinary shares (the “**May 2022 Placement Shares**”) in the share capital of the Company at a placement price of S\$0.0127 per May 2022 Placement Share for approximately S\$2.15 million (US\$1.58 million).

### B. January 2022 Warrant Shares

On 6 January 2022, pursuant to a Placement exercise, the Company allotted and issued 185,240,000 Warrants (the “**Warrants**”) convertible into up to 185,240,000 new ordinary shares (the “**Warrant Shares**”) upon exercise at an exercise price of S\$0.0127 per Warrant Shares for approximately S\$2.35 million (US\$1.73 million). The entire Warrants were exercised in full with the allotment and issue of 185,240,000



Warrant Shares in the share capital of the Company during 1H2023. There is no outstanding Warrants remaining as at the date of this announcement.

### C. Optional Subscription Shares

Pursuant to the Optional Subscription Rights approved at an EGM held on 29 April 2022, the Company granted to certain investors the rights to subscribe upto 425,000,000 new ordinary shares of the Company (the “**Optional Subscription Shares**”) at an issue price of S\$0.0127 per Optional Subscription Share, and when fully subscribed, for a gross proceed of upto S\$5.4 million (US\$3.98 million). On 31 May 2022, 7 July 2022 and 12 August 2022, the Company has issued and allotted an aggregate of 228,000,000 Optional Subscription Shares pursuant to a partial exercise of the Optional Subscription Rights at issue price of S\$0.0127 per Optional Subscription Share, for a gross proceed of approximately S\$2.90 million (US\$2.14 million). As at the date of this announcement, the balance 197,000,000 Optional Subscription Rights which had remained outstanding as at 30 September 2022, has expired.

### D. August 2022 Placement Shares

On 11 August 2022, pursuant to a Placement exercise (the “**August 2022 Placement**”), the Company allotted and issued 135,120,000 new ordinary shares of the Company in the share capital of the Company at a placement price of S\$0.0148 per Placement Shares for approximately S\$2.00 million (US\$1.43 million).

### E. Convertible Loan Notes

On 6 August 2019, the Company completed the issuance of convertible loan notes in the aggregate principal amount of approximately S\$3.45 million (the “**2019 Convertible Loan Notes**”) which are convertible, in whole or in part, into not more than 150,000,000 new ordinary shares in the capital of the Company by 6 August 2021 at the latest (the “**2019 Conversion Shares**”) at a conversion price of S\$0.023 per 2019 Conversion Share. On 30 June 2022, the 2019 Convertible Loan Notes were terminated and converted into a term loan.

### F. 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 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, none of the RCB were converted.

### G. 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 1H2023.

Save for the allotment and issuance of the Placement Shares, Warrant Shares and the Optional Subscription Shares mentioned above, there was no movement in the share capital of the Company during 1H2023.

Save for the outstanding Optional Subscription Rights and the Convertible Loan Notes, as at 30 September 2022 and 30 September 2021, 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 2022 to 30 September 2022.

**Use of the proceeds from the issuance of the January 2022 Placement and Warrants Shares (pursuant to Rule 704(30))**

As at the date of this announcement, the entire net proceeds of approximately US\$4.00 million (S\$5.40 million) received from the January 2022 Placement and Warrants exercised had been fully utilized for the intended use as follows:

<b>Use of the January 2022 Placement and Warrant proceeds</b>	<b>US\$ million</b>	<b>Percentage utilized of allocated amount (%)</b>
Repayment of borrowings	1.70	100
Payment of payables	0.73	100
General working capital purposes:		
• Payments to suppliers for materials and services	0.53	100
• Payment of administrative expenses, including payroll and other services	1.04	100
Total amount utilized	<u>4.00</u>	

**Use of the proceeds from the issuance of the May 2022 Placement Shares (pursuant to Rule 704(30))**

As at the date of this announcement, the net proceeds of about US\$1.58 million (S\$2.15 million) from the May 2022 Placement had been fully utilized for the intended use as follows:

<b>Use of the May 2022 Placement proceeds</b>	<b>US\$ million</b>	<b>Percentage utilized of allocated amount (%)</b>
Repayment of borrowings	1.00	100
Payment of payables	0.58	100
General working capital purposes:	-	
Total amount utilized	<u>1.58</u>	

**Use of the proceeds from the issuance of the Optional Subscriptions Shares (pursuant to Rule 704(30))**

As at the date of this announcement, the entire net proceeds received of approximately US\$2.00 million (S\$2.71 million) received from the Optional Subscriptions Shares exercised had been fully utilized for the intended use as follows:

<b>Use of the Subscriptions proceeds</b>	<b>US\$ million</b>	<b>Percentage utilized of allocated amount (%)</b>
Repayment of borrowings	1.20	100
Payment of payables	0.50	100
General working capital purposes:		
• Payments to suppliers for materials and services	0.10	100
• Payment of administrative expenses, including payroll and other services	0.20	100
Total amount utilized	<u>2.00</u>	

**Use of the proceeds from the issuance of the August 2022 Placement Shares (pursuant to Rule 704(30))**

As at the date of this announcement, the entire net proceeds of approximately US\$1.43 million (S\$2.00 million) received from the August 2022 Placement had been fully utilized for the intended use as follows:

<b>Use of the August 2022 Placement proceeds</b>	<b>US\$ million</b>	<b>Percentage utilized of allocated amount (%)</b>
Repayment of borrowings	0.70	100
Payment of payables	-	-

General working capital purposes:

• Payments to suppliers for materials and services	0.11	100
• Payment of administrative expenses, including payroll and other services	0.62	100

Total amount utilized	1.43
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**Use of the proceeds from the issuance of the Rights Issue on Redeemable Convertible Bond (“RCB”) (pursuant to Rule 704(30))**

As at the date of this announcement, the gross proceeds of approximately US\$3.30 million (S\$4.66 million) received from the RCB was utilized for the intended use as follows:

Use of the RCB proceeds	US\$ million	Percentage utilized of allocated amount (%)
Repayment of borrowings	1.77	100
Payment of payables	-	-
General working capital purposes:		
• Payments to suppliers for materials and services	-	-
• Payment of administrative expenses, including payroll and other services	-	-
Total amount utilized	1.77	

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 2022	As at 31 Mar 2022
Total number of issued ordinary shares (excluding treasury shares)	3,242,031,975	2,524,601,975

**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	
	1H2023 US\$'000	1H2022 US\$'000
<b>Net loss attributable to Shareholders</b>	(1,005)	(1,093)
<b>Number of ordinary shares in issue (excluding treasury shares)</b>		
Weighted average number of ordinary shares for the purpose of computing the basic loss per share	2,961,093,997	2,248,811,975
<b>Loss per share</b>		
Basic and diluted (US cents)	(0.03)	(0.05)

**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 2022 US\$'000	As at 31 Mar 2022 US\$'000	As at 30 Sep 2022 US\$'000	As at 31 Mar 2022 US\$'000

Net asset value as at end of financial period/year	<b>8,004</b>	2,430	<b>30,992</b>	24,843
Net asset value per ordinary share as at the end of financial period/year (US cents)	<b>0.25<sup>(1)</sup></b>	0.10 <sup>(2)</sup>	<b>0.96<sup>(1)</sup></b>	0.98 <sup>(2)</sup>

**Note:**

(1) Based on 3,242,031,975 issued shares of the Company

(2) Based on 2,524,601,975 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 at seas, on land, on flight and even in space. The Group's technical competencies include Radio and Antenna Design, Embedded System Design, Software Defined Radio platform. Its customers include leading organizations in commercial, defence and space industries.

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

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

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

The Group organizes its business into the following segments as it grows its various revenue streams (comprising hardware sales, solution and airtime income as well as design 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)
- Design Engineering Services ("DES") Related Business (Previously known as Design-cum-Supply Business)

**Review of financial performance for 1H2023 (relative to 1H2022)**

**Turnover**

The Group continue to improve in its business since mid-2021 and registered a turnover of US\$2.5 million in 1H2023 *vis-à-vis* that of US\$1.6 million in 1H2022 at a growth rate of about 52% over 1H2022 with both the SPC and ADR continued with its growth momentum.

**Profitability**

The Group recorded a gross profit of US\$1.5 million against a gross profit margin of 62.5% for 1H2023 compared to a gross profit of US\$1.1 million against a gross profit margin of 65.2% for 1H2022.

The selling and distribution expenses of the Group increased by US\$150,000 or 92.6% from US\$162,000 in 1H2022 to US\$312,000 in 1H2023 due mainly to increase in travelling and marketing and exhibitions costs since the opening up of air travel in April this year.

The administrative expenses of the Group increased from US\$1.1 million in 1H2022 to US\$1.4 million in 1H2023 due primarily to increased legal and professional services expenses incurred on corporate activities as well as higher manpower costs and related expenses as a result of increased headcount, in gearing up for new processes in the SPC and ADR-Related Businesses of the Group.

The other operating income of the Group in 1H2023 mainly related to the foreign exchange currency gain arising from the outstanding SGD borrowings due to the strengthen of the USD against SGD.

The higher finance expenses incurred by the Group in 1H2023 was attributed mainly to additional withholding tax accruals on interest paid overseas following the settlement of the outstanding loans.

Consequence to the above, the Group has narrowed its net loss to US\$1.0 million in 1H2023 compared to a net loss of US\$1.1 million in 1H2022.

**Review of financial position as at 30 September 2022 (relative to that as at 31 March 2022)****Long-term assets**

The decrease in property, plant and equipment of the Group was attributed mainly to depreciation of the property, plant and equipment.

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 decreased was due mainly to the higher receipt of government grants in 1H2023 of US\$0.8 million (as compared to US\$0.5 million received in 1H2022) to support the space resilient technologies as well as lower capitalisation of development costs, albeit the commencement of amortisation of part of the completed space resilient projects.

**Current assets**

The increase in inventories was attributed mainly to the purchase of materials for the fulfilment of outstanding customers' orders from both ADR and SPC business, with expected deliveries to be in the 2H2023.

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

Contract assets relate to work done but yet to be billed in respect of contracted design services and contracted production orders.

### **Current liabilities**

The decrease in trade payables and other payables and accruals were attributed mainly to the settlement of trade debts and amounts due to directors and staff and other payables during 1H2023.

The decrease in provisions was due mainly to the settlement of the provision for Directors' fees for FY2022 upon the approval by Shareholders at the last concluded AGM.

The decrease in borrowings was attributed principally to loan settlements during 1H2023, including the full settlement of both the Convertible Loan Notes with the proceeds from the recent fund raising exercises, albeit new loans received under the Undertaking Shareholders' Loans for the intended subscriptions of the Proposed Renounceable Non-underwritten Rights Issue of Discounted and Redeemable Convertible Bonds ("RCB") exercise.

The decreased in lease liabilities was due to the payments during the year.

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.

The increase in Share Capital was due to the allotment of 717,430,000 new ordinary shares pursuant to the Placements, Warrants and Optional Subscription Rights exercised during 1H2023 with a total net funds raised of about US\$6.6 million from the above exercises.

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) decreased from 239.0% as at 31 March 2022 to 31.8% as at 30 September 2022;
2. the working capital position of the Group was reverse from a negative working capital of US\$4.94 million as at 31 March 2022 to a positive working capital of US\$1.19 million as at 30 September 2022;
3. the net cash flow of the Group reversed from cash generated from operation of US\$1.1 million in 1H2022 to cash used in operations of US\$2.9 million in 1H2023, with about US\$2.4 million being used in working capital for outstanding book orders using the net cash generated from financing activities; and
4. the net asset value of the Group improved by US\$5.6 million or 229.4% from US\$2.4 million as at 31 March 2022 to US\$8.0 million as at 30 September 2022 while the net asset value per ordinary share increased from 0.10 US cents per Share as at 31 March 2022 to 0.25 US cents per Share as at 30 September 2022.

### **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**

	1Q2023 US\$'000	2Q2023 US\$'000	1H2023 US\$'000	1H2022 US\$'000
Revenue	787	1,673	<b>2,460</b>	1,617
Gross Profit	494	1,044	<b>1,538</b>	1,054
Operating profit/ (loss)	(750)	101	<b>(649)</b>	(754)
EBITDA	(512)	363	<b>(149)</b>	(277)

The Group has recorded a 52% increase in revenue to US\$2.46 million in 1H2023 as compared to US\$1.67 million in 1H2022 and achieved positive operating profit of US\$101,000 in 2Q2023 as compared to a operating loss of US\$750,000 in 1Q2023 as well as achieving positive EBITDA of US\$363,000 in 2Q2023 as compared to an EBITDA loss of US\$512,000 in 1Q2023.

We are encouraged by the growth in revenue achieved in 1H2023 as compared to 1H2022 as well as the achieving positive EBIDTA and operating profit in 2Q2023 as compared to 1Q2023 and we expect the momentum to continue for the next 12 months based on the following:

1. With the recent series of fund-raising exercises, the Group has strengthened its balance sheet, with the improvement in its gearing ratio from 239.0% to 31.8% as well as its working capital position which has enable the Group to aggressively expand its sales and marketing activities and also to secure critical components in a timely manner to support production and fulfilment of orders received.
2. The Group has an outstanding order book of US\$6.6 million which barring any unforeseen circumstances is expected to be substantially fulfilled in the current financial year.
3. On SPC business relating to IDRS, we continue to experience growing interest as we secured our 11th IDRS customer and is now ramping up production and sales activities to ensure timely order fulfillments and to build up our order books for both current and next financial years. We will be providing more details about this new IDRS customer in a joint press release shortly and we also expect to receive repeat orders from existing customers in the second half of the current financial year.
4. Our ADR business relating to Software Defined Radio and agile communications modules is fast gaining traction with a current order book of US\$3.9 million. In particular, our newly launched ADRS1000™ module, a state-of-the-art 16-channel Direct Sampling re-configurable wireless System-on-Module (SOM) to target emerging sectors like the 5G, mobile satellite and optimally designed for counter drone market has generated significant interest with initial orders aggregating US\$1.1 million and we also expect more orders from both existing and new customers in the coming months.

Barring any unforeseen circumstances, taking cognizant of the above, we are confident that the Group will perform significantly better in FY2023 relative to FY2022, and we expect the growth trend to continue in the current financial year.

***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 and may affect the extent of the realization of our current book orders for FY2023 and beyond. 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 current Ukraine war, inflation in many countries globally, the uncertainties arising from the current ongoing trade war and stand-off between US and China; continued concerns of the scale of the possible adverse fallouts and their implications on the global scene triggered by the prevailing global Covid-19 pandemic as well as other political and economic issues confronting the world; deflationary pressures and undue currency movements; change in technology; delay in signing, commencement, implementation and performance of programs, or the delivery of products or services under them or the implementation of improved airtime package by the satellite operators; structural change in the satellite industry; relationships with customers; competition; and the ability to attract quality 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 and that the certainty of success of any pending fund raising exercise by the Company is not assured, undue reliance must not be placed on these statements.***

**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 1H2023 as the Company is in a 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\$
Mr Paul Burke, a Non-Executive Director	113,156 <sup>(1)</sup>	Nil

**Note:**

(1) Being interest due under loans extended to the Company by Mr Paul Burke prior to him being a Non-Executive Director of the Company. These loans were subsequently fully settled in 1H2023.



**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 1H2023 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

Dr Colin Chan Kum Lok  
Executive Chairman

Tan Khai Pang  
CEO

14 November 2022