ADDVALUE'S RECONFIGURABLE EMBEDDED SYSTEM-RELATED BUSINESS PROCURED ADDITIONAL NEW ORDER, AMIDST PREVAILING COVID-19 PANDEMIC, IN BRINGING ITS TOTAL SECURED ORDER TO S$1.7 MILLION SINCE THE START OF THE PANDEMIC IN EARLY 2020

The Board of Directors of Addvalue Technologies Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") (the "**Board**") is pleased to announce that the Group's reconfigurable embedded system business ("**RES**")-related business (the "**RES-Related Business**"), riding on its in-house FPGA-based re-configurable hardware development capability, has procured another new order with an established customer for its proprietary Software Defined Radio ("**SDR**") module for agile communications applications, thereby bringing its total secured order to date to S$1.7 million from both government agencies and commercial enterprises since the start of the Covid-19 pandemic in early 2020. For reasons of commercial sensitivity, the Company is not at liberty for the time being to disclose the identity of the said customer.

SDR engineering technology is much sought-after in sophisticated communications applications because of its implementation simplicity and flexibility in providing reconfigurable communications. Designed to meet with stringent environmental specifications, the proprietary SDR module developed by the Group is ideal for applications that need the compactness and versatility to support different communications systems with only firmware upgrades.

The SDR technology, derived from the Company's proprietary in-housed developed FPGA-based configurable hardware platform for SDR applications, is tailored to each customer's unique specifications. It is to be noted that a FPGA-based implementation is essentially not meant only for SDR to be used in advanced digital communication system application (as is the case above with the new order), it can also be customized for complex data processing at the edge in a data analytic or AI applications. The global SDR market size is estimated at US$20.4 billion in 2019, and is anticipated to grow at a compound annual growth rate ("**CAGR**") of 8.7% per annum from 2020 to 2027 due to increasing need for agile communication driven by the defense industry and space industry[1]. The edge computing market is valued at US$1.75 billion in 2019, and is expected to reach US$8.29 billion by 2025 at a CAGR of 29.4% per annum from 2020 to 2025 as enterprises across all industries are adopting digital innovations, such as artificial intelligence, data analytics & block chain, to drive performance[2].

The garnering of secured orders aggregating S$1.7 million from governmental agencies and commercial enterprises amidst the Covid-19 pandemic period strongly testified the commercial relevance of the Group's proprietary FPGA-based reconfigurable hardware platform.

Barring any unforeseen circumstances, the Group expects its RES-Related Business, one of its key business pillars, to secure more sales orders by the close of its prevailing financial year ending 31 March 2021 ("**FY2021**"). The Group also anticipates the revenue to be generated from its RES-Related Business to grow significantly beyond FY2021 as we expand our marketing outreach through reputable global industrial partners with global presence and large existing customer base who have need for our RES technology and engineering services.

Save for their respective interests held through the Company, none of the Directors or substantial shareholder of the Company has any interest, directly or indirectly, in the said new order

BY ORDER OF THE BOARD

Dr Colin Chan Kum Lok
Chairman and CEO
24 January 2021

Sources:

1. Based on Grand View Research – https://grandviewresearch.com/industry-analysis/software-defined-radio-sdr-market.
2. Based on Mordor Intelligence - https://www.mordorintelligence.com/industry-reports/edge-computing-market-industry.