



UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

FOR THE SIX MONTHS AND FULL FINANCIAL YEAR ENDED 31
MARCH 2022

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

| | The Group | | | | | |
|---|----------------|----------|--------|----------------|----------|--------|
| | 2H2022 | 2H2021 | % | FY2022 | FY2021 | % |
| | US\$'000 | US\$'000 | Change | US\$'000 | US\$'000 | Change |
| Revenue | 3,860 | 1,956 | 97.3 | 5,477 | 2,676 | 104.7 |
| Cost of sales | (1,271) | (1,650) | (23.0) | (1,834) | (1,946) | (5.8) |
| Gross profit | 2,589 | 306 | 746.1 | 3,643 | 730 | 399.0 |
| Other operating income | 297 | 603 | (50.7) | 363 | 727 | (50.1) |
| Selling & distribution expenses | (176) | (235) | (25.1) | (338) | (475) | (28.8) |
| Administrative expenses | (1,314) | (2,831) | (53.6) | (2,463) | (3,709) | (33.6) |
| Other operating expenses | (1,519) | (1,020) | 48.9 | (2,082) | (1,606) | 29.6 |
| Loss from operations | (123) | (3,177) | (96.1) | (877) | (4,333) | (79.8) |
| Finance expenses | (1,031) | (1,417) | (27.2) | (1,370) | (1,755) | (21.9) |
| Loss before tax | (1,154) | (4,594) | (74.9) | (2,247) | (6,088) | (63.1) |
| Taxation | - | (88) | N/m | - | (88) | N/m |
| Net loss for the period/year | (1,154) | (4,682) | (75.4) | (2,247) | (6,176) | (63.6) |
| Other comprehensive income/(loss): | | | | | | |
| - Exchange differences arising from translation of foreign operations | (60) | (25) | 140.0 | (60) | (25) | 140.0 |
| Total comprehensive loss for the period/year | (1,214) | (4,707) | (74.2) | (2,307) | (6,201) | (62.8) |
| Attributable to: | | | | | | |
| Equity holders of the Company | (1,214) | (4,707) | (74.2) | (2,307) | (6,201) | (62.8) |
| Total comprehensive loss for the period/year | (1,214) | (4707) | (74.2) | (2,307) | (6,201) | (62.8) |

Notes:

"Company" denotes 'Addvalue Technologies Ltd'

"Group" denotes the Company and its subsidiaries

"2H2022" denotes the second half financial period of the financial year ended 31 March 2022 ("FY2022")

"2H2021" denotes the second half financial period of the financial year ended 31 March 2021("FY2021")

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

"N/m" denotes 'not meaningful'

| | The Group | | | | | |
|--|--------------|----------|--------|--------------|----------|--------|
| | 2H2022 | 2H2021 | % | FY2022 | FY2021 | % |
| | US\$'000 | US\$'000 | Change | US\$'000 | US\$'000 | Change |
| Loss before tax was arrived , after charging/(crediting): | | | | | | |
| Depreciation and amortization | 510 | 503 | 1.4 | 987 | 913 | 8.1 |
| Inventory written off | 405 | 188 | 115.4 | 405 | 188 | 115.4 |
| Foreign exchange loss/(gain) (net) | (19) | 288 | N/m | (18) | 291 | N/m |
| Interest on borrowings | 997 | 1,363 | (26.9) | 1,316 | 1,663 | (20.9) |
| Reversal of allowance for trade receivables | - | (199) | N/m | - | (199) | N/m |
| Share-based payment | 114 | 1,655 | (93.1) | 114 | 1,655 | (93.1) |
| Fair value gain arising from financial assets at fair value through profit or loss | (253) | - | N/m | (253) | - | N/m |
| Impairment loss on development expenditure | 480 | - | N/m | 480 | - | N/m |

B. Condensed Interim Statements of Financial Position

| | The Group | | The Company | |
|---|---|---|---|---|
| | As at 31 Mar 2022 (Unaudited) US\$'000 | As at 31 Mar 2021 (Audited) US\$'000 | As at 31 Mar 2022 (Unaudited) US\$'000 | As at 31 Mar 2021 (Audited) US\$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 473 | 808 | - | - |
| Subsidiaries | - | - | 19,549 | 19,549 |
| Intangible assets | 8,746 | 9,641 | - | - |
| | 9,219 | 10,449 | 19,549 | 19,549 |
| Current assets | | | | |
| Inventories | 2,944 | 2,559 | - | - |
| Trade receivables | 7,435 | 6,736 | - | - |
| Other receivables, deposits and prepayments | 267 | 157 | - | - |
| Other investment | 268 | 15 | 268 | 15 |
| Contract assets | - | - | - | - |
| Due from subsidiaries (non-trade) | - | - | 10,242 | 8,673 |
| Cash and bank balances | 632 | 274 | 1 | 13 |
| | 11,546 | 9,741 | 10,511 | 8,701 |
| Total assets | 20,765 | 20,190 | 30,060 | 28,250 |
| Current liabilities | | | | |
| Trade payables | 796 | 842 | - | - |
| Other payables and accruals | 3,448 | 2,206 | 1,103 | 662 |
| Provisions | 130 | 101 | 121 | 72 |
| Borrowings | 5,610 | 6,706 | 3,740 | 4,196 |
| Lease liabilities | 125 | 216 | - | - |
| Contract liabilities | 929 | 495 | - | - |
| Due to subsidiaries (non-trade) | - | - | 484 | 535 |
| | 11,038 | 10,566 | 5,448 | 5,465 |
| Non-current liabilities | | | | |
| Borrowings | - | 21 | - | - |
| Lease liabilities | - | 107 | - | - |
| Deferred tax liabilities | 1,634 | 1,634 | - | - |
| | 1,634 | 1,762 | - | - |
| Total liabilities | 12,672 | 12,328 | 5,448 | 5,465 |
| Net assets | 8,093 | 7,862 | 24,612 | 22,785 |
| Capital and reserves attributable to equity holders of the Company | | | | |
| Share capital | 83,116 | 80,578 | 83,116 | 80,578 |
| Capital reserve | 2,354 | 2,354 | 1,607 | 1,607 |
| Statutory reserve | 8 | 8 | - | - |
| Foreign currency translation reserve | (64) | (4) | - | - |
| Accumulated losses | (77,321) | (75,074) | (60,111) | (59,400) |
| Total equity | 8,093 | 7,862 | 24,612 | 22,785 |

The accompanying notes to the balance sheet:

| | The Group | |
|---|---|---|
| | As at 30 Sep 2021 US\$'000 | As at 31 Mar 2021 US\$'000 |
| Amount repayable in one year or less or on demand | | |
| Secured | - | - |
| Unsecured | <u>5,610⁽¹⁾</u> | <u>6,706⁽²⁾</u> |
| | <u>5,610</u> | <u>6,706</u> |
| | | |
| Amount repayable after one year | | |
| Unsecured | <u>-</u> | <u>21</u> |

Notes:

- (1) *Inclusive of the outstanding 2019 Convertible Loan Note (as defined hereinafter)*
- (2) *Inclusive of the outstanding 2020 Convertible Loan Note (as defined hereinafter) and the outstanding 2019 Convertible Loan Note (as defined hereinafter)*

C. Condensed Interim Consolidated Statement of Cash Flows

| | The Group | |
|--|--------------------|--------------------|
| | FY2022 US\$'000 | FY2021 US\$'000 |
| OPERATING ACTIVITIES | | |
| Profit/(loss) before tax | (2,247) | (6,088) |
| Adjustments for: | | |
| Amortisation of intangible assets | 561 | 502 |
| Depreciation of property, plant and equipment | 426 | 411 |
| Fair value gain arising from financial assets at fair value through profit or loss | (253) | - |
| Bad debts written off/(back) | - | (199) |
| Interest expense | 1,316 | 1,663 |
| Impairment loss on development expenditure | 480 | - |
| Inventories written off | 405 | 188 |
| Share-based payment | 114 | 1,607 |
| Unrealised foreign exchange loss | 261 | 207 |
| Provision | 29 | (8) |
| Operating profit/(loss) before changes in working capital | 1,092 | (1,717) |
| <i>Changes in working capital</i> | | |
| Inventories | (794) | (426) |
| Trade and other receivables | (810) | 38 |
| Contract assets | - | 169 |
| Trade and other payables | 861 | (734) |
| Contract liabilities | 434 | (121) |
| CASH GENERATED FROM/(USED IN) OPERATIONS | 783 | (2,791) |
| Interest income received | - | - |
| NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES | 783 | (2,791) |
| INVESTING ACTIVITIES | | |
| Purchase of plant and equipment | (90) | (109) |
| Additions in intangible assets | (2,008) | (1,687) |
| Proceeds from government grants | 1,861 | 670 |
| NET CASH USED IN INVESTING ACTIVITIES | (237) | (1,126) |
| FINANCING ACTIVITIES | | |
| Net proceeds from placement shares | 2,424 | 1,699 |
| Net proceeds from rights issue | - | 2,681 |
| Repayment of convertible loan notes | (737) | - |
| Proceeds from borrowings | 667 | 3,873 |
| Repayment of borrowings | (1,817) | (3,110) |
| Repayment of lease liabilities | (199) | (223) |
| Interest paid | (526) | (789) |
| NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES | (188) | 4,131 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 358 | 214 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR | 274 | 60 |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR | 632 | 274 |

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 2021 | 80,578 | 2,354 | 8 | (4) | (75,074) | 7,862 |
| Profit for the year | - | - | - | - | (2,247) | (2,247) |
| Other comprehensive income, net of tax | - | - | - | (60) | - | (60) |
| Total comprehensive income for the year | - | - | - | (60) | (2,247) | (2,307) |
| <u>Contribution by and distribution to owners</u> | | | | | | |
| Issuance of new shares: Pursuant to share placement, net of expenses | 2,424 | - | - | - | - | 2,424 |
| Pursuant to performance shares, net of expenses | 114 | - | - | - | - | 114 |
| Balance at 31 Mar 2022 | 83,116 | 2,354 | 8 | (64) | (77,321) | 8,093 |

| | 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 2020 | 74,407 | 2,354 | 8 | 21 | (68,898) | 7,892 |
| Profit for the year | - | - | - | - | (6,176) | (6,176) |
| Other comprehensive income, net of tax | - | - | - | (25) | - | (25) |
| Total comprehensive income for the year | - | - | - | (25) | (6,176) | (6,201) |
| <u>Contribution by and distribution to owners</u> | | | | | | |
| Issuance of new shares: Pursuant to share placement, net of expenses | 1,796 | - | - | - | - | 1,796 |
| Pursuant to rights issue, net of expenses | 2,769 | - | - | - | - | 2,769 |
| Pursuant to performance shares, net of expenses | 1,606 | - | - | - | - | 1,606 |
| Balance at 31 Mar 21 | 80,578 | 2,354 | 8 | (4) | (75,074) | 7,862 |

| | The Company | | | |
|--|---------------|-----------------|--------------------|----------|
| | Share capital | Capital reserve | Accumulated losses | Total |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Balance at 1 Apr 2021 | 80,578 | 1,607 | (59,400) | 22,785 |
| Comprehensive loss for the financial year | - | - | (711) | (711) |
| Issuance of new shares: | | | | |
| Pursuant to the share placement, net of expenses | 2,424 | - | - | 2,424 |
| Pursuant to performance shares, net of expenses | 114 | - | - | 114 |
| Balance at 31 Mar 2022 | 83,116 | 1,607 | (60,111) | 24,612 |

| | The Company | | | |
|---|---------------|-----------------|--------------------|----------|
| | Share capital | Capital reserve | Accumulated losses | Total |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Balance as at 1 Apr 2020 | 74,407 | 1,607 | (58,026) | 17,988 |
| Comprehensive loss for the year | - | - | (1,374) | (1,374) |
| Issuance of new shares: | | | | |
| Pursuant to share placement, net of expenses | 1,796 | - | - | 1,796 |
| Pursuant to rights issue, net of expenses | 2,769 | - | - | 2,769 |
| Pursuant to performance shares, net of expenses | 1,606 | - | - | 1,606 |
| Balance at 31 Mar 2021 | 80,578 | 1,607 | (59,400) | 22,785 |

E. Notes to the Condensed Interim Financial Statements

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

1. Corporate Information

The Company (Registration Number: 199603037H) is a limited liability company incorporated and domiciled in Singapore and listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The registered office and principal place of business of the Company is at 202 Bedok South Avenue 1 #01-11 Singapore 469332.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries consist of investment holding, design and development of telecommunication systems and hardware and the distribution of telecommunication equipment and related products.

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

2. Basis of Preparation

The Condensed Interim Financial Statements for the six months (“2H2022”) and full year ended 31 March 2022 (“FY2022”) are presented in United States dollar, which is the Company’s functional currency, and all values, unless otherwise stated, are rounded to the nearest thousand (US\$’000). The Condensed Interim Financial Statements, which have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore, do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 September 2021.

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

As at 31 March 2022, the Group incurred a net loss of US\$2.2 million (FY2021: US\$6.2 million), recorded a net operating cash inflows (outflows) of US\$0.8 million (FY2021: (US\$2.8 million)) and a net current asset/(liabilities) of US\$0.5 million as at 31 March 2022 (31 March 2021: (US\$0.8 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 FY2022 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 external fundings which the Company has finalized with certain third-party investors.

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 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 FY2022. 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 2021 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 FY2022.

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.

| 31 March 2022 | EMEA ⁽¹⁾ US\$'000 | North America US\$'000 | Asia Pacific US\$'000 | Total US\$'000 |
|---------------------------------------|---------------------------------|---------------------------|--------------------------|-------------------|
| Revenue | | | | |
| Total revenue from external customers | 37 | 2,900 | 2,540 | 5,477 |
| <i>% Contribution</i> | 1% | 53% | 46% | 100% |
| Segment result | 20 | 1,930 | 1,693 | 3,643 |
| Unallocated expenses | | | | (4,883) |
| Other income | | | | 363 |
| Finance expenses | | | | (1,370) |
| Loss before tax | | | | (2,247) |

| 31 March 2022 | EMEA ⁽¹⁾ US\$'000 | North America US\$'000 | Asia Pacific US\$'000 | Total US\$'000 |
|-------------------------------|---------------------------------|---------------------------|--------------------------|-------------------|
| Income tax expense | | | | - |
| Loss for the year | | | | <u>(2,247)</u> |
| Segment assets | | | | |
| - Segment assets | 2 | 6,336 | 14,427 | <u>20,765</u> |
| Segment liabilities | | | | |
| - Segment liabilities | 296 | 361 | 10,381 | 11,038 |
| - Deferred tax liabilities | - | - | 1,634 | <u>1,634</u> |
| Total liabilities | | | | <u>12,672</u> |
| Other information | | | | |
| Capital expenditure | | | | |
| - Plant and equipment | - | - | 90 | 90 |
| - Intangible assets | - | - | 2,008 | 2,008 |
| Depreciation and amortisation | 10 | 592 | 385 | 987 |

Note:

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

| 31 March 2021 | EMEA ⁽¹⁾ US\$'000 | North America US\$'000 | Asia Pacific US\$'000 | Total US\$'000 |
|---------------------------------------|---------------------------------|---------------------------|--------------------------|-------------------|
| Revenue | | | | |
| Total revenue from external customers | 117 | 1,398 | 1,161 | 2,676 |
| <i>% Contribution</i> | 4% | 52% | 44% | 100% |
| Segment result | 30 | 360 | 340 | 730 |
| Unallocated expenses | | | | (5,790) |
| Other income | | | | 727 |
| Finance expenses | | | | <u>(1,755)</u> |
| Loss before tax | | | | (6,088) |
| Income tax expense | | | | <u>(88)</u> |
| Loss for the year | | | | <u>(6,176)</u> |
| Segment assets | | | | |
| - Segment assets | - | 6,085 | 14,105 | <u>20,190</u> |
| Segment liabilities | | | | |
| - Segment liabilities | 296 | 125 | 10,273 | 10,694 |
| - Deferred tax liabilities | - | - | 1,634 | <u>1,634</u> |
| Total liabilities | | | | <u>12,328</u> |
| Other information | | | | |
| Capital expenditure | | | | |
| - Plant and equipment | - | - | 109 | 109 |
| - Intangible assets | - | - | 1,687 | 1,687 |
| Depreciation and amortisation | 40 | 477 | 396 | 913 |

| 31 March 2021 | EMEA ⁽¹⁾ US\$'000 | North America US\$'000 | Asia Pacific US\$'000 | Total US\$'000 |
|---------------|---------------------------------|---------------------------|--------------------------|-------------------|
|---------------|---------------------------------|---------------------------|--------------------------|-------------------|

Note:

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

4.2 By revenue streams

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

| Turnover | The Group | | | |
|-----------------------------|--------------|----------------|----------|----------------|
| | FY2022 | | FY2021 | |
| | US\$'000 | % Contribution | US\$'000 | % Contribution |
| STC-Related Business | 1,031 | 19 | 896 | 34 |
| ADR-Related Business | 873 | 16 | 386 | 14 |
| SPC-Related Business | 3,245 | 59 | 1,018 | 38 |
| Design Engineering Services | 328 | 6 | 376 | 14 |
| | 5,477 | 100 | 2,676 | 100 |

By geographical segments

There are marginal changes in their percentage contributions from each segment in FY2022 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 FY2022 as the business continues to gain traction globally.

5. Employee benefits expense

| | The Group | |
|--|--------------------|--------------------|
| | FY2022 US\$'000 | FY2021 US\$'000 |
| Employee benefits expense (including Directors): | | |
| - Salaries, bonuses and others | 3,427 | 2,815 |
| - Share-based payment | 114 | 1,655 |
| - Contribution to defined contribution plans | 358 | 258 |
| | 3,899 | 4,728 |
| Directors' fees | 121 | 72 |
| | 4,020 | 4,800 |
| Charged to consolidated statement of profit or loss and other comprehensive income | 2,719 | 3,625 |

Capitalised in development
expenditure

1,301 1,175

4,020 4,800

6. Intangible assets

| The Group | Development expenditure US\$'000 | Patents US\$'000 | Computer software US\$'000 | Total US\$'000 |
|---|--|---------------------|----------------------------------|-------------------|
| Cost | | | | |
| At 1 Apr 2021 | 32,569 | 72 | 1,357 | 33,998 |
| Additions | 1997 | 11 | - | 2,008 |
| Government grant | (1,861) | - | - | (1,861) |
| At 31 Mar 2022 | 32,705 | 83 | 1,357 | 34,145 |
| Accumulated amortisation | | | | |
| At 1 Apr 2021 | 12,204 | 44 | 1,357 | 13,605 |
| Amortisation charge for the financial period | 561 | - | - | 561 |
| At 31 Mar 2022 | 12,765 | 44 | 1,357 | 14,166 |
| Accumulated impairment | | | | |
| At 1 Apr 2021 | 10,752 | - | - | 10,752 |
| Impairment losses | 480 | - | - | 480 |
| At 31 Mar 2022 | 11,232 | - | - | 11,232 |
| Carrying amount | | | | |
| At 31 Mar 2022 | 8,708 | 39 | - | 8,747 |
| At 31 Mar 2021 | 9,613 | 28 | - | 9,641 |

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 FY2021.

7. Trade receivables

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.

8. Other receivables, deposits and prepayments

| | The Group | |
|----------------------|------------------|------------------|
| | As at | As at |
| | 31 Mar 22 | 31 Mar 21 |
| | US\$'000 | US\$'000 |
| Deposits | 85 | 85 |
| Other receivables | 385 | 352 |
| Prepayments | 137 | 60 |
| Less: loss allowance | (340) | (340) |
| | 267 | 157 |

9. Other payables and accruals

| | The Group | | The Company | |
|-----------------------------|------------------|------------------|--------------------|------------------|
| | As at | As at | As at | As at |
| | 31 Mar 22 | 31 Mar 21 | 31 Mar 22 | 31 Mar 21 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Accrued operating expenses: | | | | |
| - Employee benefits | 1,957 | 1,206 | - | - |
| - Directors' fees | 80 | 46 | 80 | 46 |
| - Others | 422 | 165 | 53 | 73 |
| Due to Directors | 695 | 109 | 655 | 69 |
| Other payables | 294 | 680 | 315 | 474 |
| | 3,448 | 2,206 | 1,103 | 662 |

10. Borrowings

| | The Group | | The Company | |
|-----------------------------------|------------------|------------------|--------------------|------------------|
| | As at | As at | As at | As at |
| | 31 Mar 22 | 31 Mar 21 | 31 Mar 22 | 31 Mar 21 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| <u>Due within one year</u> | | | | |
| Loans | 2,966 | 2,910 | 1,096 | 400 |
| Convertible loan notes | 2,644 | 3,796 | 2,644 | 3,796 |
| | 5,610 | 6,706 | 3,740 | 4,196 |
| <u>Due after one year or more</u> | | | | |
| Loans | - | 21 | - | - |
| | 5,610 | 6,727 | 3,740 | 4,196 |
| <u>Total borrowings</u> | | | | |
| Loans | 2,966 | 2,931 | 1,096 | 400 |
| Convertible loan notes | 2,644 | 3,796 | 2,644 | 3,796 |
| | 5,610 | 6,727 | 3,740 | 4,196 |

On 2 December 2022, the 2020 Convertible Loan Notes of the Company was terminated and converted into a term loan.

11. Placements completed subsequent to 31 March 2022

On 28 March 2022, the Company announced the receipt of Approval-in-Principle from SGX-ST in relation to:

- Proposed grant of subscription right to Economic Development Innovations Singapore Pte Ltd for the subscription of up to 315,000,000 new ordinary shares ("Shares") of the Company (the "EDIS Subscription Rights").
- Proposed grant of subscription right to Mr Cheng Kwee Kiang for the subscription of up to 110,000,000 new Shares (the "CKK Subscription Rights"); and
- Proposed subscription by Directors, Employees and Business Associates of a total of 169,070,000 new Shares (the "May 22 Placements"),

each Share to be allotted and issued at an issue price of S\$0.0127.

Subsequently, on 29 April 2022, at an Extraordinary General Meeting held by the Company, the above proposed subscriptions were approved by Shareholders.

On 10 May 2022, the Company has completed the issuance and allotment of 169,070,000 new Shares at an issue price of S\$0.0127 per Directors-Employees-Business Associates subscription shares to certain directors, employees and business associates of the Group.

As at the date of this announcement, EDIS has exercised part of its EDIS Subscription Rights to subscribe for 118 million Shares (for a total of S\$1,498,600) which will be allotted on or about 31 May 2022, while the CKK Subscription Rights has yet to be exercised.

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 2021 | 2,248,811,975 | 80,578 |
| Issue of new shares pursuant to the January 22 Placement (as defined below) | 263,940,000 | 2,424 |
| – net of share issue expenses | | |
| Issue of new shares pursuant to the Share Awards (as defined below) | 11,850,000 | 114 |
| – net of share issue expenses | | |
| Balance as at 31 March 2022 | 2,524,601,975 | 83,116 |

A. Placement Shares

On 6 January 2022, pursuant to a placement exercise (the “**January 22 Placement**”), the Company allotted and issued 263,940,000 new ordinary shares of the Company (the “**Placement Shares**”) in the share capital of the Company at a placement price of S\$0.0127 per Placement Share for approximately S\$3.352 million (US\$2.462 million).

B. Warrant Shares

On 6 January 2022, pursuant to the same Placement exercise in A, the Company allotted and issued 185,240,000 Warrants (the “**Warrants**”) convertible into up to 185,240,000 Warrant Shares (the “**Warrant Shares**”) upon exercise at an exercise price of S\$0.0127 per Warrant Shares for approximately S\$2.352 million (US\$1.734 million). As at the date of this announcement, there is a total of 118,740,000 Warrants remain outstanding.

C. 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. As at the date of this announcement, the entire 2019 Convertible Loan Notes remained unconverted.

On 23 September 2020, the Company completed the issuance of convertible loan notes in the aggregate principal amount of approximately S\$2.0 million (the “**2020 Convertible Loan Notes**”) which are convertible, in whole or in part, into not more than 83,542,188 new ordinary shares in the capital of the Company by 30 September 2021 at the latest (the “**2020 Conversion Shares**”) at a conversion price of S\$0.02394 per 2020 Conversion Share. On 2 December 2021, the 2020 Convertible Loan Notes were terminated and converted into a term loan.

D. 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.

On 7 January 2022, the Company announced the grant of awards pursuant to the AVTPSP2017 (the “**Share Awards**”) to Dr Chan Kum Lok Colin, the Executive Chairman of the Group. On 13 January 2022, the Company issued and allotted 11,850,000 new shares pursuant to the granted Share Awards (the “**Share Award Shares**”).

Save for the allotment and issuance of the Placement Shares, and the Share Award Shares, there was no movement in the share capital of the Company during FY2022.

Save for the outstanding 2020 Convertible Loan Notes, the 2019 Convertible Loan Notes and the outstanding Warrants, as at 31 March 2022 and 31 March 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 2021 to 31 March 2022.

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

As at the date of this announcement, the gross proceeds of about US\$3.28 million (S\$4.45 million) received from the January 22 Placement and Warrants exercised (out of total expected gross proceed of S\$5.7 million) had been utilized for the intended use as follows:

| Use of the Placement proceeds | US\$ million | Percentage utilized of allocated amount (%) |
|--|---------------------|--|
| Repayment of borrowings | 0.96 | 56 |
| Payment of payables | 0.74 | 100 |
| General working capital purposes: | | |
| • Payments to suppliers for materials and services | 0.42 | 68 |
| • Payment of administrative expenses, including payroll and other services | 0.64 | 68 |
| Share issue expenses | 0.04 | 18 |
| Total amount utilized | <u>2.80</u> | |

Use of the proceeds from the issuance of the May 22 Placement Shares (pursuant to Rule 704(30))

As at the date of this announcement, the committed net proceeds of about US\$1.58 million (S\$2.10 million) from the May 22 Placement had been fully utilized for the intended use as follows:

| Use of the Placement proceeds | US\$ million | Percentage utilized of allocated amount (%) |
|--|---------------------|--|
| Repayment of borrowings | 1.0 | 100 |
| Payment of payables | 0.58 | 100 |
| General working capital purposes: | | |
| • Payments to suppliers for materials and services | - | - |
| • Payment of administrative expenses, including payroll and other services | - | - |
| Share issue expenses | - | - |
| Total amount utilized | <u>1.58</u> | |

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

| The Company | As at 31 Mar 2022 | As at 31 Mar 2021 |
|--|----------------------|-------------------|
| Total number of issued ordinary shares (excluding treasury shares) | 2,524,601,975 | 2,248,811,975 |

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 | |
|--|----------------------|--------------------|
| | FY2022 US\$'000 | FY2021 US\$'000 |
| Net loss attributable to Shareholders | (2,247) | (6,176) |
| 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 | 2,312,809,783 | 1,962,009,620 |
| Loss per share | | |
| Basic and diluted (US cents) | (0.10) | (0.31) |

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

| | The Group | | The Company | |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | As at 31 Mar 2022 US\$'000 | As at 31 Mar 2021 US\$'000 | As at 31 Mar 2022 US\$'000 | As at 31 Mar 2021 US\$'000 |
| Net asset value as at end of financial year | 8,093 | 7,862 | 24,612 | 22,785 |
| Net asset value per ordinary share as at the end of financial year (US cents) | 0.32⁽¹⁾ | 0.35 ⁽²⁾ | 0.97⁽¹⁾ | 1.01 ⁽²⁾ |

Notes:

(1) Based on 2,524,601,975 issued shares of the Company

(2) Based on 2,248,811,975 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 sea, 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 2H2022 (relative to 2H2021) and FY2022 (relative to FY2021)

Turnover

The Group continue to improve in its business since mid-2021 and registered a turnover of US\$3.9 million in 2H2022 *vis-à-vis* that of US\$2.0 million in 2H2021 which is nearly a two-fold increase over 1H2021. The Group's turnover for FY2022 improved by two-fold from US\$2.7 million in FY2021 to US\$5.5 million in FY2022. The two-fold increase was mainly contributed by the SPC-Related Business which has increased in revenue by more than US\$2 million in FY2022 with the deliveries of 19 IDRS terminals during the year, with more than half was delivered in 2H2022.

Profitability

The Group also recorded a higher gross profit of US\$2.6 million against an improved gross profit margin of 67.1% for 2H2022 as compared to a gross profit of US\$0.3 million against a gross profit margin of 15.6% for 2H2021.

Consequently, the Group recorded a higher gross profit of US\$3.6 million with an improved gross profit margin of 66.5% for FY2022 as compared to a gross profit of US\$0.7 million with a gross profit margin of 27.3% for FY2021.

The 2.4 fold increase in gross profit margin attained in FY2022 as compared to FY2021 was attributed principally to the delivery of more high yielding products.

The selling and distribution expenses of the Group decreased by US\$137,000 or 28.8% from US\$475,000 in FY2021 to US\$338,000 in FY2022 due mainly to reduced marketing staff.

The administrative expenses of the Group decreased from US\$3,709,000 in FY2021 to US\$2,463,000 in FY2022 due primarily to share-based payment of about US\$1.6 million granted to Directors and eligible employees in FY2021, offset by 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 higher other operating expenses was mainly attributed to the impairment loss provided on certain development expenditure of the Group and increased stock provision in FY2022, offset by the foreign exchange loss in FY2021.

The other operating income of the Group decreased from US\$727,000 in FY2021 to US\$363,000 in FY2022 due mainly to reduced grants, in relation to job support credit scheme, received from the Singapore government in FY2022 and the reversal of allowance for trade receivables in FY2021, offset by the fair value gain arising from other investments recognised in FY2022

The higher finance expenses incurred by the Group in FY2021 was attributed mainly to the higher imputed interest charged on convertible loan notes.

Consequence to the above, the Group has significantly narrowed its net loss to US\$2.4 million in FY2022 compared to a net loss of US\$6.2 million in FY2021.

Review of financial position as at 31 March 2022 (relative to that as at 31 March 2021)

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 FY2022 of US\$1.8 million to support the space resilient technologies as well as impairment loss on certain development costs.

Current assets

The increase in inventories was attributed mainly to the purchase of materials for the fulfilment of production orders.

The increase in trade receivables was due to sales towards the end of FY2022 while the increase in other receivables, deposits and prepayments were mainly due to prepayments made.

The increase in other investment was due the recognition of the fair value gain arising from the Company's other investment as at 31 March 2022.

Current liabilities

The increase in other payables and accruals were attributed mainly to the increase in staff accruals and amounts due to directors of the Company.

The increase in provisions was due mainly to the higher provision for Directors' fees for FY2022 arising from the increase in the no of directors.

The decrease in borrowings was attributed principally to loan settlements during FY2022, including the partial repayment of the 2020 Convertible Loan Notes which was terminated and converted to a term loan during the year.

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 263,940,000 new ordinary shares pursuant to the Placement exercise and the allotment of 11,850,000 new ordinary shares pursuant to the Share Award exercise.

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 85.6% as at 31 March 2021 to 69.3% as at 31 March 2022;
2. the working capital position of the Group was reverse from a negative working capital of US\$824,000 as at 31 March 2021 to a positive working capital of US\$509,000 as at 31 March 2022;
3. the net cash flow of the Group reversed from cash used in operation of US\$2.8 million in FY2021 to cash generated from operations of US\$0.8 million in FY2022; and
4. the net asset value of the Group improved marginally by US\$0.2 million or 2.9% from US\$7.9 million as at 31 March 2021 to US\$8.1 million as at 31 March 2022 while the net asset value per ordinary share decreased from 0.35 US cents per Share as at 31 March 2021 to 0.32 US cents per Share as at 31 March 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

| | 1H2022 | 2H2022 | FY2022 | FY2021 |
|----------------|----------|----------|--------------|----------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Revenue | 1,617 | 3,860 | 5,477 | 2,676 |
| Gross Profit | 1,054 | 2,589 | 3,643 | 730 |
| Operating loss | (754) | (123) | (877) | (4,333) |
| EBITDA | (277) | 867 | 590 | (3,420) |

The Group recorded a two-fold increase in revenue to US\$5.5 million in FY2022 as compared to US\$2.7 million in FY2021 and a more than two-fold increase in revenue to US\$3.9 million in 2H2022 as compared to US\$1.6

million 1H2022 against a commendable five-fold increase in gross profit to US\$3.6 million in FY2022 as compared to US\$0.7 million in FY2021. The Group also achieved a turnaround with a positive EBITDA of US\$867,000 in 2H2022 as compared to a negative EBITDA of US\$ 277,000 in 1H2022 and a positive EBITDA of US\$590,000 for FY2022 as compared to a negative EBITDA of US\$3.4 million in FY2021.

As a result of its business transformation over the recent years, the Group has recorded a 5.7-fold increase in recurring revenue generated from airtime and solution subscription to US\$482,000 in FY2022 as compared to US\$84,000 in FY2021 due to the increase in the monthly airtime subscription revenue mainly from the IDRS-related business.

We are encouraged by the accelerated growth in revenue achieved in the last financial year and we expect the trend to continue for the next 12 months based on the following:

1. The Group has secured up to S\$13.2 million funding as announced on 2 December 2021 which will significantly strengthen our balance sheet. The funding will also enable the Group to aggressively expand its sales and marketing activities in the current financial year as most of the product development work including the IDRS and ADRS have been completed. As at the date of announcement, EDIS has exercised part of its EDIS Subscription Rights to subscribe for 118 million Shares (for a total of S\$1,498,600) which will be allotted on or about 31 May 2022.
2. The Group has an outstanding order book of about US\$6.0 million which barring any unforeseen circumstances will largely be fulfilled within current financial year.
3. Our SPC business relating to IDRS has recorded a three-fold increase in the delivery of IDRS terminals to 19 units in the FY2022 as compared to 6 units delivered in FY2021 and 3 units delivered in FY2020. Given that we have secured 9 IDRS customers with an aggregate of about 270 satellites in their planned constellations to be launched over the next few years and a growing pipeline of potential customers, we expect the growth in both terminal sales and recurring air-time/value-added services revenue to continue into the current financial year and beyond.
4. Our ADR business relating to Software Defined Radio and agile communications modules is fast gaining traction. As announced on 15 February 2022, the Group has secured a S\$3.6 million contract for the supply of our proprietary software defined and RF communication modules to a large technology company to be fulfilled within the current financial year that will have a positive impact on the current financial year of the Group. On 2 September 2021, the Group has started its campaign to launch our proprietary ADRS1000 modules developed on the back of the Addvalue's rich heritage in the development of RF modules and FPGA-SoC embedded systems for bespoke wireless applications in defence and other mission-critical industries. Targeting at government agencies and commercial enterprises globally, ADRS1000 is well suited for compact digital beam-forming and agile radio applications such as 5G networks, anti-drone systems, radar systems and high-performance test and measurement instrumentation. The Group has received initial orders for ADRS1000 for fulfilments within the current financial year.
5. Our STC business pivoting to growing needs for satcom-based digital connectivity solutions has showed good commercial tractions in environmental sustainability and industrial IoT markets as reflected in FY2022. With extended partnerships to reach out to these markets, we are seeing brighter sale prospects that shall lead to a better result in the combined sales of terminals, air-time and value-added services in the current financial year.

Barring any escalation of the global Covid-19 pandemic situation and global supply chain disruptions caused by extended shipping crisis and component shortages, particularly semi-conductors, which will significantly impact on the timely fulfillment of orders, and any unforeseen circumstances, taking cognizant of the above, we are confident that the Group will perform significantly better in FY2023 relative to FY2022, as 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 2H2022 and FY2022 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) US\$ | Aggregate value of all interested person transactions conducted under the Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) US\$ |
|---|--|--|
| Mr Paul Burke, a Non-Executive Director | 962,792 ⁽¹⁾ | Nil |
| Mr Tan Khai Pang, Executive Director | 119,811 ⁽²⁾ | Nil |

Notes:

- (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 and purchase consideration for the May 22 Placement Shares
- (2) Being purchase consideration for the May 22 Placement Shares

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

Not applicable.

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

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

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (THIS PART IS NOT APPLICABLE TO Q1, Q2, Q3 OR HALF YEAR RESULTS)

16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

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

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

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

18. Breakdown of sales

| | FY2022 US\$'000 | FY2021 US\$'000 | % change |
|---------------------------------------|--------------------|--------------------|----------|
| (i) Turnover reported for: | | | |
| - First half year ended 30 September | 1,617 | 720 | 124.6% |
| - Second half year ended 31 March | 3,860 | 1,956 | 97.3% |
| | 5,477 | 2,676 | 104.7% |
| (ii) Net profit/ (loss) reported for: | | | |
| - First half year ended 30 September | (1,093) | (1,494) | (26.8%) |
| - Second half year ended 31 March | (1,154) | (4,681) | (75.3%) |
| | (2,247) | (6,175) | (63.6%) |

The Group continue to record more than two-fold increase in turnover to US\$3.9 million in 2H2022 from that of US\$1.6 million in 1H2022 and double its turnover in FY2022 compared to FY2021 with the new business momentum picking up this year.

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

Not applicable.

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

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

For and on behalf of the Board of Directors

Dr Colin Chan Kum Lok
Executive Chairman

Tan Khai Pang
CEO

30 May 2022