



UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

FOR THE FIRST HALF FINANCIAL YEAR ENDED 30 SEPTEMBER 2020
IN RESPECT OF THE FINANCIAL YEAR ENDING 31 MARCH 2021

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

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

	The Group		
	1H2021 US\$'000	1H2020 US\$'000	% Change
Revenue	720	2,122	(66.1)
Cost of sales	(296)	(911)	(67.5)
Gross profit	424	1,211	(65.0)
Other operating income	124	15	N/m
Selling & distribution expenses	(240)	(221)	8.6
Administrative expenses	(986)	(999)	(1.3)
Other operating expenses	(478)	(510)	(6.3)
Loss from operations	(1,156)	(504)	129.4
Finance expenses	(338)	(375)	(9.9)
Loss before tax	(1,494)	(879)	70.0
Taxation	-	-	-
Net loss for the period	(1,494)	(879)	70.0
Other comprehensive income/(loss):			
- Exchange differences arising from translation of foreign operations	-	20	N/m
Total comprehensive loss for the period	(1,494)	(859)	73.9
Attributable to:			
Equity holders of the Company	(1,494)	(859)	73.9
Total comprehensive loss for the period	(1,494)	(859)	73.9

Notes:

"Group" denotes the Company and its subsidiaries

"1H2021" denotes the first half financial period ended 30 September 2020 in respect of the financial year ended 31 March 2021

"1H2020" denotes the first half financial period ended 30 September 2019 in respect of the financial year ending 31 March 2020

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

"N/m" denotes not meaningful

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

	The Group		
	1H2021 US\$'000	1H2020 US\$'000	% Change
Loss before tax has been arrived at after charging/(crediting):			
Depreciation and amortization	410	398	3.0
Inventory written (back)/off	(3)	2	N/m
Foreign exchange (gain)/loss (net)	19	11	72.7
Interest expense	300	301	(0.3)

Note:

"N/m" denotes not meaningful

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

	The Group		The Company	
	As at	As at	As at	As at
	30 Sep 2020	31 Mar 2020	30 Sep 2020	31 Mar 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	990	1,110	-	-
Subsidiaries	-	-	19,549	19,549
Intangible assets	9,160	9,125	-	-
	10,150	10,235	19,549	19,549
Current assets				
Inventories	2,495	2,321	-	-
Trade receivables	6,237	6,414	-	-
Other receivables, deposits and prepayments	288	319	7	1
Other investment	15	15	15	15
Contract assets	357	169	-	-
Due from subsidiaries (non-trade)	-	-	4,548	3,415
Cash and bank balances	80	60	2	4
	9,472	9,298	4,572	3,435
Total assets	19,622	19,533	24,121	22,984
Current liabilities				
Trade payables	621	943	-	-
Other payables and accruals	2,906	2,838	357	607
Provisions	209	109	176	75
Borrowings	4,992	5,051	3,638	3,697
Lease liabilities	194	194	-	-
Contract liabilities	616	616	-	-
Due to subsidiaries (non-trade)	-	-	318	617
	9,538	9,751	4,489	4,996
Non-current liabilities				
Borrowings	39	39	-	-
Lease liabilities	305	305	-	-
Deferred tax liabilities	1,546	1,546	-	-
	1,890	1,890	-	-
Total liabilities	11,428	11,641	4,489	4,996
Net assets	8,194	7,892	19,632	17,988
Capital and reserves attributable to equity holders of the Company				
Share capital	76,203	74,407	76,203	74,407
Capital reserve	2,354	2,354	1,607	1,607
Statutory reserve	8	8	-	-
Foreign currency translation reserve	21	21	-	-
Accumulated losses	(70,392)	(68,898)	(58,178)	(58,026)
Total equity	8,194	7,892	19,632	17,988

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

	The Group	
	As at 30 Sep 2020 US\$'000	As at 31 Mar 2020 US\$'000
Amount repayable in one year or less or on demand		
Secured	-	-
Unsecured	4,992 ⁽¹⁾	5,051 ⁽²⁾
	<u>4,992</u>	<u>5,051</u>
Amount repayable after one year		
Unsecured	39	39
	<u>39</u>	<u>39</u>

Details of any collateral:

- (1) Inclusive of the outstanding 2020 Convertible Loan Note (as defined herein after) and the outstanding 2019 Convertible Loan Notes (as defined herein after)
- (2) Inclusive of the outstanding 2017 Convertible Loan Notes (as defined herein after) and the outstanding 2019 Convertible Loan Notes (as defined herein after)

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

	The Group	
	1H2021 US\$'000	1H2020 US\$'000
OPERATING ACTIVITIES		
Profit /(loss) before tax	(1,494)	(879)
Adjustments for:		
Amortisation of intangible assets	274	260
Depreciation of property, plant and equipment	136	138
Interest expense	300	301
Inventories written (back)/ off	(3)	2
Unrealised foreign exchange loss	(2)	(87)
Provision	101	59
Operating profit /(loss) before changes in working capital	(688)	(206)
<i>Changes in working capital</i>		
Inventories	(172)	(247)
Trade and other receivables	208	(713)
Contract assets	(188)	-
Trade and other payables	(255)	(709)
Advances received from customers	-	197
CASH USED IN OPERATIONS	(1,095)	(1,678)
Interest income received	-	-
NET CASH USED IN OPERATING ACTIVITIES	(1,095)	(1,678)
INVESTING ACTIVITIES		
Purchase of plant and equipment	(15)	(115)
Additions in intangible assets	(597)	(970)
Proceeds from government grants	288	582
NET CASH USED IN INVESTING ACTIVITIES	(324)	(503)
FINANCING ACTIVITIES		
Net proceeds from placement shares	1,052	-
Net proceeds from/(repayment of) convertible loan notes	(348)	2,546
Proceeds from borrowings	1,914	774
Repayment of borrowings	(1,028)	(635)
Interest paid	(152)	(257)
NET CASH GENERATED FROM FINANCING ACTIVITIES	1,438	2,428
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	19	247
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	60	137
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	79	384

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

	The Group					
	Share capital US\$'000	Capital reserve US\$'000	Statutory reserve US\$'000	Foreign currency translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance as at 1 April 2020	74,407	2,354	8	21	(68,898)	7,892
Issuance of new shares pursuant to the Placement (as defined below) – net of share issue expenses	1,796	-	-	-	-	1,796
Comprehensive income/(loss) for the financial period	-	-	-	-	(1,494)	(1,494)
Balance as at 30 September 2020	76,203	2,354	8	21	(70,392)	8,194

	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 as at 1 April 2019	74,407	1,567	8	3	(70,730)	5,255
Comprehensive income/(loss) for the financial period	-	-	-	20	(879)	(859)
Balance as at 30 September 2019	74,407	1,567	8	23	(71,609)	4,396

	The Company			
	Share capital US\$'000	Capital reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance as at 1 April 2020	74,407	1,607	(58,026)	17,988
Issuance of new shares pursuant to the Placement (as defined below) – net of share issue expenses	1,796	-	-	1,796
Comprehensive loss for the financial period	-	-	(152)	(152)
Balance as at 30 September 2020	76,203	1,607	(58,178)	19,632

	The Company			
	Share capital US\$'000	Capital reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance as at 1 April 2019	74,407	820	(57,545)	17,682
Comprehensive loss for the financial period	-	-	(156)	(156)
Balance as at 30 September 2019	74,407	820	(57,701)	17,526

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

Share Capital of the Company	No of shares	US\$'000
Balance as at 1 Apr 2020	1,870,441,084	74,407
Issue of new shares pursuant to the Placement (as defined below) – net of share issue expenses	107,373,400	1,796
Balance as at 30 September 2020	1,977,814,484	76,203

A. Placement Shares

On 23 September 2020, pursuant to a placement exercise (the "**Placement**"), the Company allotted and issued 107,373,400 new ordinary shares of the Company (the "**Placement Shares**") in the share capital of the Company at a placement price of S\$0.02394 per Placement Share for approximately S\$2.57 million (US\$1.88 million)

B. Convertible Loan Notes

Pursuant to the issuance of convertible loan notes (the "**2017 Convertible Loan Notes**") on 31 May 2017 in the aggregate principal amount of approximately S\$7.1 million convertible, in whole or in part, into not more than 128,500,000 new ordinary shares in the share capital of the Company by 31 May 2021 at the latest (the "**2017 Conversion Shares**") at a conversion price of S\$0.055 per 2017 Conversion Share, the Company, upon the relevant loan note holder exercising the conversion of S\$4.59 million of his 2017 Convertible Loan Notes, allotted and issued 83,500,000 2017 Conversion Shares on 2 June 2017 to the relevant loan note holder. The balance of S\$2.475 million of the 2017 Convertible Loan Notes was fully settled on 28 September 2020 partly by S\$0.224 million in cash; partly by S\$0.251 million through the issuance of 10,500,000 Placement Shares; and partly by S\$2.0 million via the replacement with the 2020 Convertible Loan Notes (as defined herein below).

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. As at the date of this announcement, the entire 2020 Convertible Loan Notes remained unconverted.

Save for the allotment and issuance of the Placement Shares mentioned above, there was no movement in the share capital of the Company during 1H2021.

C. Share Options

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

D. Performance Share Plan

On 28 July 2017, with the approval of the Shareholders procured at an Extraordinary General Meeting, the Company adopted the ‘Addvalue Technologies Performance Share Plan’ that will enable employees of the Group (including the Executive Directors) as well as the Non-Executive Directors of the Company to participate in the equity of the Company based on performance through the possible grant of awards of fully paid shares of the Company.

Save as disclosed above, 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 as at the date of this announcement.

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

As at the date of this announcement, the entire net proceeds of about US\$1.80 million (S\$2.40 million) raised from the Placement had been fully utilized for the intended use as follows:

Use of Placement proceeds	US\$ million	Percentage utilized of allocated amount (%)
Repayment of existing loans	0.35	100
Capability development program for space	0.84	100
General working capital purposes:		
• Payments to suppliers for materials and services	0.11	100
• Administrative expenses, including payroll and other services	0.50	100
Total amount utilized	1.80	

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

	As at 30 Sep 2020	As at 31 Mar 2020
Total number of issued ordinary shares (excluding treasury shares)	1,977,814,484	1,870,441,084

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

The Company has no treasury shares as at 30 September 2020. Neither were there any sale, transfer, disposal, cancellation and/or use of treasury shares by the Company during the period from 1 April 2020 to 30 September 2020.

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

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

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- a) Update on the efforts taken to resolve each outstanding audit issue.
- b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the Group's financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 March 2020 ("FY2020"), except that the Group has adopted all new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations to SFRS(I) applicable for the financial year ending 31 March 2021 ("FY2021") as well as relevant new Financial Reporting Standards ("FRS") which became mandatory for the current financial year.

The adoption of new and revised Financial Reporting Standards ("FRS") and the interpretations of FRS ("INT FRS") that are mandatory for the financial year beginning on or after 1 April 2020 are not expected to have any significant impact to the Group's financial Statements.

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

Not applicable

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

	The Group	
	As at 30 Sep 2020 US\$'000	As at 30 Sep 2019 US\$'000
Net loss attributable to shareholders	(1,494)	(879)
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	1,875,135,003	1,870,441,084
Loss per share		
Basic and diluted (US cents)	(0.08)	(0.05)

Note:

The basic loss per share and the dilutive loss per share are the same as the relevant instruments with conversion features into shares are not expected to result in any dilution.

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

	The Group		The Company	
	As at 30 Sep 2020 US'000	As at 31 Mar 2020 US\$'000	As at 30 Sep 2020 US\$'000	As at 31 Mar 2020 US\$'000
Net asset value as at end of financial period/ year	8,194	7,892	19,632	17,988
Net asset value per ordinary share as at the end of financial year (US cents)	0.41⁽¹⁾	0.42 ⁽²⁾	0.99⁽¹⁾	0.96 ⁽²⁾

Notes:

(1) Based on 1,977,814,484 issued shares of the Company.

(2) Based on 1,870,441,084 issued shares of the Company.

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

Overview

The 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 Internet-of-Things ("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 continues its business transformation strategies to re-build and grow its various revenue streams (comprising hardware sales, solution and airtime income as well as design fee) along market opportunities that are driven by the new age of digital economies as follows:

- (a) The trending launches of Low Earth Orbit ("LEO") satellites for new and innovative space-based mission services in the new space industry is set to fuel our Inter-Satellite Data Relay System ("IDRS") business. The Group's IDRS offers the world-only real time and on demand data communications between commercial LEO satellites and their ground controls;
- (b) Tapping into the evolving aviation industry including unmanned aircraft system ("UAS") for resilient communications, the Group is contracted to develop such communication terminals, which will subsequently lead to supply and technical support service for such aviation-graded products. In the similar vein, the Group's embedded system capabilities have also found business traction with the defense and enterprise's requirement for high performance agile communications and data analytics applications.
- (c) The pervasive adoption of IoT/Machine-to-Machine ("M2M") technologies across all economic activities is yet another business driver for the Group. The Group's recent successes in providing integrated solutions for vessel monitoring system in response to the rising and urgent need for regulatory control for fishery sustainability is one such example. The Group is extending its competitive advantages in

such technologies and knowhow to rural ATM banking services, remote sensing, monitoring and tracking for asset and environmental surveillance, and other bridging-the-digital-gap activities that are permeating across the emerging economies, especially in the ASEAN region.

(a) Review of financial performance of the Group for 1H2021 (relative to 1H2020)

Turnover

The Group recorded a turnover of US\$0.7 million in 1H2021 *vis-à-vis* that of US\$2.1 million in 1H2020. The decrease was principally attributed to the impact of the prevailing global Covid-19 pandemic which has resulted in a complete or near complete standstill of the many commercial activities being carried out by many of our key customers; 1H2021, though suffered no cancellation of book orders, experienced the full blunt of the cumulative effects of the adverse build up of the pandemic since the end of the last financial quarter of FY2020 when some of our projected sales deliveries were pushed back several months due to the many lockdowns in the regions. While the unsettling nature of the pandemic is expected to continue to exert a toll on the global economy for at least the foreseeable future, barring unforeseen circumstances, we expect to recapture the deferred sales revenues over the remaining financial quarters of FY2021 as we seek to make deliveries progressively along with the gradual easing off of lockdown measures in the regions.

Profitability

The Group registered a gross profit of US\$0.4 million against a gross profit margin of 58.9% for 1H2021 relative to a gross profit of US\$1.2 million against a gross profit margin of 57.1% for 1H2020. The improved gross profit margin was attributed principally to the delivery of high margin products during the period under consideration.

The selling and distribution expenses of the Group increased by US\$19,000 or 8.6%, from US\$221,000 in 1H2020 to US\$240,000 in 1H2021 due mainly to increased headcounts.

The decrease in administrative expenses and other operating expenses of the Group were attributed primarily to lower rental expenses (incurred at our new premises) as well as reduced business activities.

Our other operating income increased by US\$109,000 from US\$15,000 in 1H2020 to US\$124,000 in 1H2021 mainly as a result of the job support credit scheme received from the Singapore government.

The finance expenses incurred by the Group in 1H2021 and 1H2020 were attributed mainly to borrowings.

Consequence to the above, the Group incurred a net loss of US\$1.5 million in 1H2021 compared to a net loss of US\$0.9 million in 1H2020.

(b) Review of financial position of the Group as at 30 September 2020 (relative to that as at 31 March 2020)

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

The increase in intangible assets was attributed mainly to the development expenses incurred (net of amortisation) as we continue to develop our proprietary technologies and products, including our space resilient technologies and new spin-off products and services.

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

The decrease in trade receivables was primarily attributed to collections received.

The decrease in other receivables, deposits and prepayments were mainly due to the charge out of prepayments.

The contract assets relate to work done but yet to be billed in respect of contracted design services.

The decrease in trade payables was primarily due to payments made.

The increase in other payables and accruals were attributed mainly to increase in other non-trade payables/accruals and staff accruals while the increase in provisions was due mainly to the provision for directors' fees.

The decrease in borrowings was attributed principally to loan settlements, albeit new working capital loans being raised during 1H2020

The increase in the share capital of the Company was due to the allotment and issuance of 107,373,400 new ordinary shares pursuant to the Placement.

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 64.5% as at 31 March 2020 to 61.4% as at 30 September 2020;
2. the working capital position of the Group improved from a negative US\$453,000 as at 31 March 2020 to a negative US\$66,000 as at 30 September 2020;
3. the net cash flow of the Group used in operations improved from US\$1.7 million in 1H2020 to US\$1.1 million in 1H2021; and
4. the net asset value of the Group increased by US\$0.3 million or 3.8% from US\$7.9 million as at 31 March 2020 to US\$8.2 million as at 30 September 2020, while the net asset value per ordinary share decreased marginally from 0.42 US cents per Share as at 31 March 2020 to 0.41 US cents per Share as at 31 September 2020.

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

Not applicable.

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

Notwithstanding the comparatively lackluster performance for 1H2021, due largely to the adverse effects brought about as a result of global lockdowns in connection with the prevailing global Covid-19 pandemic, the Group suffered no cancellation of any book orders albeit a push-back in the delivery schedules for some. As a matter of fact, with the easing of the circuit breaker measures, we expect to catch up and to make good the belated deliveries within FY2021.

Meanwhile, we are also receiving new flow of purchase orders for our products and services as highlighted below:

1. We had in August 2020 (based on a revised delivery schedule) resumed our delivery of 2 IDRS terminals, which are in addition to the 2 IDRS terminals already delivered in late 2019 and early 2020, to Capella Space. With more deliveries of the IDRS terminals to be made by the second half of 2020, we expect to complete the delivery of the first batch of IDRS terminals by FY2021 for Capella Space to deploy the first segment of its satellite constellation. On top of the said number of units to be delivered in FY2021, we have also secured a committed order, for a similar number of units of IDRS terminals as that of the first batch, for delivery in batches over FY2022 to support Capella Space's launch program in 2021/2022.
2. Despite the Covid-19 pandemic, we are seeing continual interests in our IDRS solutions from new inquires, one of which has already committed an initial order for an IDRS terminal for a pilot launch in the first half of 2021. We expect to clinch a couple more new accounts over the next few months with deliveries spread into 2021.
3. On our other business fronts, such as the SDR Engineering, Design Services and Satcom applications, we have not received any cancellation of customer commitments either. We have factored in the impact of the Covid-19 pandemic into our various revised delivery schedules acceptable to our customers, most of which will still be fulfilled within FY2021. Furthermore, we are witnessing an accelerated interest in the adoption of digital platforms for business transformation in the wake of the Covid-19 pandemic, some of which have percolated through and become new found sales for us to work into 2021 and beyond.

It is noteworthy that the Group achieved the following landmark accomplishments towards the end of 1H2020 and subsequently amidst the prevailing challenging business environment faced by many companies worldwide:

1. In respect of our IDRS Business

The positive validations and successful outcomes of the ongoing testing of applications for the commissioning of the Group's IDRS terminal embedded within the successfully deployed first satellite of Capella Space's planned Synthetic Aperture Radar (SAR) constellation to orbit on 31 August 2020; this critical milestone achieved by the Group will pave the way for the inauguration of the historic successful commissioning of the first publicly-available, real-time, on-demand IDRS service to be jointly provided by Capella Space, Inmarsat and the Group. The co-sharing of airtime revenue between Inmarsat and the Group as a result of which will soon follow suit, albeit starting from an initial low base which is expected to be steadily built-up over time in synchronization with the gradual formation of Capella Space's planned full SAR constellation. The addition of the Group's IDRS terminal onboard the satellite enables real-time satellite tasking by customer to capture the imagery of what they want, when they need it, globally, reducing the time between request and image capture from hours to minutes. The Group's IDRS solution not only provides Capella Space with timeliness and cost efficiency, but also all of the security mechanisms built into Inmarsat's network infrastructure. A joint press release concerning the landmark inauguration is expected to be released by the said three parties imminently.

2. In respect of our Satcom IoT/M2M Business

The partnering with Aiot Chile Spa to offer smart environmental monitoring IoT/M2M solutions to San Ignacio Del Huinay Foundation to address the environmental sustainability issues in Chile and the Latin America Region. Please refer to the Company's announcement made on 9 October 2020 for further details.

3. In respect of our Vessel Monitoring System (“VMS”) Business

The avail of the Group’s iFleetONE satellite broadband terminal (embedded with its proprietary VMS digital solution) approved by USA fisheries authorities for mandatory reporting by sport fishing vessels in the South East Region of USA and the Gulf of Mexico. Please refer to the Company’s announcement made on 1 November 2020 for further details.

The avail mentioned above is in addition to the maiden foray made by the Group via the roll out and sales of the Group’s all-in-one Internet Protocol-based satellite broadband terminals, embedded with its proprietary VMS solution which has been type-approved separately by each of the Pacific Islands Forum Fisheries Agency (“FFA”) and Western and Central Pacific Fisheries Commission (“WCPFC”), to the China-registered fishing fleets which carry out deep sea fishing activities in the Pacific Ocean (and thereby upon which are regulated by the FFA and WCPFC) pursuant to an exclusive arrangement the Group forged with CTTIC Shanghai Co Ltd (“CTTIC-Shanghai”), a subsidiary under China Transportation and Telecommunications Information Center (which is an organization under the China Ministry of Transport) and an exclusive service provider of Inmarsat in China. Please refer to the Company’s announcement made on 10 August 2020 for further details.

Barring any escalation of the Covid-19 crisis or any unforeseen circumstances, we expect our IDRS business to scale new heights in FY2021 with our performance for 2H2021 to outdo that of 1H2021.

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 prevailing indicative orders for FY2021 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 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, undue reliance must not be placed on these statements.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No.

(b) (i) Amount per share: Nil cents

(ii) Previous corresponding period: Nil cents

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared / recommended, a statement to that effect and the reason(s) for the decision.

No dividend is declared or recommended for distribution for 1HFY2021 as the Company is in a loss making position.

13. If the group has obtained general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No general mandate for IPT from the shareholders of the Company has had been sought.

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

To the best of our knowledge and belief, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the six months ended 30 September 2020 to be false or misleading in any material aspect.

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

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

For and on behalf of the Board of Directors

Dr Colin Chan Kum Lok
Chairman & CEO

Tan Khai Pang
Director

14 November 2020