



UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

FOR THE FULL FINANCIAL YEAR ENDED 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		
	FY2021 US\$'000	FY2020 US\$'000	% Change
Revenue	2,665	9,627	(72.3)
Cost of sales	(1,979)	(2,464)	(19.7)
Gross profit	686	7,163	(90.4)
Other operating income	640	450	42.2
Selling & distribution expenses	(411)	(444)	(7.4)
Administrative expenses	(3,706)	(2,175)	70.4
Other operating expenses	(1,318)	(2,054)	(35.8)
(Loss)/profit from operations	(4,109)	2,940	N/m
Finance expenses	(1,768)	(1,131)	56.3
(Loss)/profit before tax	(5,877)	1,809	N/m
Income tax credit	-	23	N/m
Net (loss)/profit for the year	(5,877)	1,832	N/m
Other comprehensive income/(loss)			
Exchange differences arising from translation of foreign operations	-	18	N/m
Total comprehensive (loss)/income for the year	(5,877)	1,850	N/m
Attributable to:			
Equity holders of the Company	(5,877)	1,850	N/m
Total comprehensive (loss)/profit for the year	(5,877)	1,850	N/m

Notes:

"Group" denotes the Company and its subsidiaries

"FY2021" denotes the financial year ended 31 March 2021 and "FY2020" denotes the financial year ended 31 March 2020; similarly, with "FY" prefixed to a named year, such shall denote the financial year ended/ending 31 March of that named year (as the case may be)

"% 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		
	FY2021 US\$'000	FY2020 US\$'000	% Change
Profit/(loss) before tax has been arrived at after charging/(crediting):			
Depreciation and amortization	904	853	6.0
Inventory written off	6	286	N/m
Foreign exchange (gain)/loss (net)	85	(413)	N/m
Interest expense	1,676	1,024	63.7
Share awards costs	1,606	-	N/m
Impairment loss on development expenditure	-	519	N/m
(Write back)/loss allowance on trade receivables	(111)	17	N/m

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
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	819	1,110	-	-
Subsidiaries	-	-	19,549	19,549
Intangible assets	9,541	9,125	-	-
	10,360	10,235	19,549	19,549
Current assets				
Inventories	2,322	2,321	-	-
Trade receivables	6,598	6,414	-	-
Other receivables, deposits and prepayments	480	319	-	1
Other investment	15	15	15	15
Contract assets	-	169	-	-
Due from subsidiaries (non-trade)	-	-	8,673	3,415
Cash and bank balances	275	60	13	4
	9,690	9,298	8,701	3,435
Total assets	20,050	19,533	28,250	22,984
Current liabilities				
Trade payables	385	943	-	-
Other payables and accruals	2,675	2,838	663	607
Provisions	101	109	72	75
Borrowings	6,706	5,051	4,196	3,697
Lease liabilities	216	194	-	-
Contract liabilities	107	616	-	-
Due to subsidiaries (non-trade)	-	-	535	617
	10,190	9,751	5,466	4,996
Non-current liabilities				
Borrowings	21	39	-	-
Lease liabilities	107	305	-	-
Deferred tax liabilities	1,546	1,546	-	-
	1,674	1,890	-	-
Total liabilities	11,864	11,641	5,466	4,996
Net assets	8,186	7,892	22,784	17,988
Capital and reserves attributable to equity holders of the Company				
Share capital	80,578	74,407	80,578	74,407
Capital reserve	2,354	2,354	1,607	1,607
Statutory reserve	8	8	-	-
Foreign currency translation reserve	21	21	-	-
Accumulated losses	(74,775)	(68,898)	(59,401)	(58,026)
Total equity	8,186	7,892	23,784	17,988

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

	The Group	
	As at 31 Mar 2021 US\$'000	As at 31 Mar 2020 US\$'000
Amount repayable in one year or less or on demand		
Secured	-	-
Unsecured	6,706 ⁽¹⁾	5,051 ⁽¹⁾
	6,706	5,051
Amount repayable after one year		
Unsecured	21	39

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)

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	
	FY2021 US\$'000	FY2020 US\$'000
OPERATING ACTIVITIES		
Profit /(loss) before tax	(5,877)	1,809
Adjustments for:		
Amortisation of intangible assets	501	448
Depreciation of plant and equipment	403	405
Interest expense	1,676	1,024
Plant and equipment written off	-	3
Inventories written off	6	286
Bad debts written off	-	17
Impairment of trade receivables written back	(111)	-
Unrealised foreign exchange loss/(gain)	158	(305)
Provisions/(Provisions utilisation)	(8)	(61)
Share awards cost	1,606	-
Impairment loss on development expenditure	-	519
Operating profit /(loss) before changes in working capital	(1,646)	4,145
<i>Changes in working capital</i>		
Inventories	122	160
Trade and other receivables	(234)	(5,578)
Contract assets	169	(169)
Trade and other payables	(700)	147
Contract liabilities	(509)	370
CASH USED IN OPERATIONS	(2,798)	(925)
Interest income received	-	-
Income tax refund	-	-
NET CASH USED IN OPERATING ACTIVITIES	(2,798)	(925)
INVESTING ACTIVITIES		
Purchase of plant and equipment	(85)	(525)
Additions in intangible assets	(1,716)	(1,950)
Proceeds from government grants	670	1,266
NET CASH USED IN INVESTING ACTIVITIES	(1,131)	(1,209)
FINANCING ACTIVITIES		
Net proceeds from placement shares	1,796	-
Net proceeds from rights issues	2,769	-
Net proceeds from convertible loan notes	-	2,546
Proceeds from borrowings	2,511	3,483
Repayment of borrowings	(1,948)	(3,356)
Cash payments for the principal portion of lease liabilities	(223)	(165)
Interest paid	(761)	(451)
NET CASH GENERATED FROM FINANCING ACTIVITIES	4,144	2,057
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	215	(77)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	60	137
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	275	60

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\$'00	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
Issuance of new shares pursuant to the Rights Issue (as defined below) – net of share issue expenses	2,769	-	-	-	-	2,769
Issuance of new shares pursuant to the Share Awards (as defined below) – net of share issue expenses	1,606	-	-	-	-	1,606
Comprehensive loss for the financial year	-	-	-	-	(5,877)	(5,877)
Balance as at 31 March 2021	80,578	2,354	8	21	(74,775)	8,186

	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
Equity portion of outstanding Conversion Shares	-	787	-	-	-	787
Comprehensive income for the financial year	-	-	-	18	1,832	1,850
Balance as at 31 March 2020	74,407	2,354	8	21	(68,898)	7,892

	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
Issuance of new shares pursuant to the Rights Issue (as defined below) – net of share issue expenses	2,769	-	-	2,769
Issuance of new shares pursuant to the Share Awards (as defined below) – net of share issue expenses	1,606	-	-	1,606
Comprehensive loss for the financial year	-	-	(1,375)	(1,375)
Balance as at 31 March 2021	80,578	1,607	(59,401)	22,784

	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
Equity portion of outstanding Conversion Shares	-	787	-	787
Comprehensive loss for the financial year	-	-	(481)	(481)
Balance as at 31 March 2020	74,407	1,607	(58,026)	17,988

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 April 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
Issue of new shares pursuant to the Rights Issue (as defined below) – net of share issue expenses	173,697,491	2,769
Issue of new shares pursuant to the Share Awards (as defined below) – net of share issue expenses	97,300,000	1,606
Balance as at 31 March 2021	2,248,811,975	80,578

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. Rights Shares

On 8 February 2021, pursuant to a Rights Issue Exercise (the “**Rights Issue**”), the Company allotted and issued 173,697,491 new ordinary shares of the Company (the “**Rights Shares**”) in the share capital of the Company at a rights price of S\$0.0225 per Rights Share for approximately S\$3.91 million (US\$2.93 million).

C. 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.

D. Performance Share Plan

On 28 July 2017, against the approval of the shareholders of the Company (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 12 February 2021, the Company announced the grant of awards pursuant to the AVTPSP2017 (the **"Share Awards"**) to eligible Directors and employees of the Group. On 19 February 2021, the Company issued and allotted 97,300,000 new shares pursuant to the granted Share Awards (the **"Share Award Shares"**).

Save for the allotment and issuance of the Placement Shares, the Rights Shares and the Share Award Shares, there was no movement in the share capital of the Company during FY2021.

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

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\$2.46 million) raised from the 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 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
• Payment of administrative expenses, including payroll and other services	0.50	100
Total amount utilized	<u>1.80</u>	

Use of the proceeds from the issuance of the Rights Issue (pursuant to Rule 704(30))

As at the date of this announcement, the net proceeds of about US\$2.77 million (S\$3.70million) raised from the Rights Issue (the “Rights Issue Net Proceeds”) had been fully utilized for its intended use as follows:

Use of the 2020 Rights Issue proceeds	US\$ million	Percentage utilized of allocated amount* (%)
Repayment of existing loans	0.83	100
Business expansion and growth	-	-
General working capital purposes:		
• Payments to suppliers for materials and services for its space capabilities development program	0.51	100
• Payment of administrative expenses, including payroll and other services	1.43	100
Total net proceeds utilized	2.77	
Share Issue expenses	0.16	
Total gross proceeds raised	2.93	

*Being amounts allocated based on the Rights Issue Net Proceeds.

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 31 Mar 2021	As at 31 Mar 2020
Total number of issued ordinary shares (excluding treasury shares)	2,248,811,975	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 31 March 2021 and as at 31 March 2020. Neither were there any sale, transfer, disposal, cancellation and/or use of treasury shares by the Company during the period from 1 October 2020 to 31 March 2021.

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.

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

The adoption of new and revised FRS and the interpretations of FRS that are mandatory for FY2021 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.

Nil.

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 31 Mar 2021 US\$'000	As at 31 Mar 2020 US\$'000
Net (loss)/profit attributable to Shareholders	(5,877)	1,832
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of computing the basic and diluted (loss)/ earnings per share	1,963,437,270	1,870,441,084
(Loss)/earnings per share		
Basic and diluted (US cents)	(0.30)	0.10

Note:

The basic profit/(loss) per share and the dilutive profit/(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 Mar 2021 US\$'000	As at 31 Mar 2020 US\$'000	As at 31 Mar 2021 US\$'000	As at 31 Mar 2020 US\$'000
Net asset value as at end of financial year	8,186	7,892	22,784	17,988
Net asset value per ordinary share as at the end of financial year (US cents)	0.36⁽¹⁾	0.42 ⁽²⁾	1.01⁽¹⁾	0.96 ⁽²⁾

Notes:

(1) Based on 2,248,811,975 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:

- **Inter-Satellite Data Relay System (“IDRS”)-Related Business:** 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 IDRS-Related Business. The Group’s IDRS offers the world-only real time and on demand data communications between commercial LEO satellites and their ground controls;
- **Reconfigurable Embedded System (“RES”)-Related Business:** 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.
- **Integrated Products & Services (“IPS”)-Related Business:** 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.
- **Design-cum-Supply Business;** With diverse skillsets and deep capabilities, the Group takes a ‘total solution’ approach to develop new products for its valued partners/customers, be it from any of the abovementioned businesses or otherwise.

(a) Review of financial performance of the Group for FY2021 (relative to FY2020)

Turnover

The Group recorded a turnover of US\$2.7 million in FY2021 *vis-à-vis* that of US\$9.6 million in FY2020. The decrease was principally attributed to the one-off licensing fee of US\$6.0 million earned in FY2020 (the “**Licensing Fee**”) and that several of the Group’s projected sales deliveries were being pushed back in FY2021 as a result of the many lockdowns in the regions and travel restrictions faced amidst the prevailing global Covid-19 pandemic crisis, which reverberated a lasting and irreversible economic slowdown of an epic scale globally with no ebb in sight yet,

Notwithstanding the curtailed business activities, the Group recorded a near three-fold increase in turnover to US\$1.9 million in the second half of FY2021 (“**2H2021**”) from that of US\$0.7 million in the first half of FY2021 (“**1H2021**”) as some of its deferred delivery schedules were reactivated by its clients in 2H2021, a momentum which, barring any unforeseen circumstances, the Group expects to sustain for at least the foreseeable future (the “**Reactivation of Schedules**”). The good news is that the Group continues to receive new orders from its existing as well as new customers for its various businesses.

Profitability

The Group registered a gross profit of US\$0.7 million against a gross profit margin of 25.7% for FY2021 relative to a gross profit of US\$7.2 million against a gross profit margin of 74.4% for FY2020. The lower gross profit margin attained in FY2021 was principally attributed to the relatively higher yielding Licensing Fee recorded in FY2020 and the higher cost charged for design costs compared to revenue recognised for design services in FY2021.

In line with reduced business activities, the selling and distribution expenses of the Group decreased by US\$33,000 or 7.4%, from US\$444,000 in FY2020 to US\$411,000 in FY2021.

The administrative expenses of the Group increased by US\$1,531,000 or 70.4%, from US\$2.2 million in FY2020 to US\$3.7 million in FY2021, due principally to the one-off full cost of US\$1.6 million associated with the grant of the Share Award Shares (which carried no vesting period) as an incentive to retain and reward loyal Directors and employees who have had been with the Group through thick and thin as well as increased manpower costs resulted from the increase in headcount to cater for the growing new business segments, offset by lower rental costs.

Our other operating expenses decreased by US\$736,000 or 35.8%, from US\$2.1 million in FY2020 to US\$1.3 million in FY2021, due mainly to lower impairment loss on development expenditure and inventory write-off as well as reduced laboratory expenses and travelling costs as a result of reduced business activities, albeit the foreign exchange loss incurred on revaluation of Singapore denominated outstanding borrowings and convertible loan notes.

Our other operating income for FY2021 comprised mainly grants received in connection with the Job Support Scheme initiated by the Singapore Government in providing wage support to employers to help them retain their staff during this period of economic uncertainty while that of FY2020 relates mainly to foreign exchange gain in respect of the outstanding balances of the 2017 Convertible Loan Notes, the 2019 Convertible Loan Notes and other borrowings.

The increase in finance expenses in FY2021 relative to FY2020 was attributed mainly to higher imputed interest charge in connection with the carrying value of the conversion feature of the outstanding balances of the 2020 Convertible Loan Notes and the 2019 Convertible Loan Notes.

Consequence to the above, the Group incurred a net loss of US\$5.9 million in FY2021 compared to a net profit of US\$1.8 million in FY2020.

(b) Review of financial position of the Group as at 31 March 2021 (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 the Group continues to develop its proprietary technologies and products, including its space resilient technologies and new spin-off products and services.

The increase in other receivables, deposits and prepayments were mainly due to prepayments made for material supplies.

The contract assets in FY2020 relate to work done in respect of contracted design services but not billed for milestones yet to be delivered.

The decrease in trade payables and other payables and accruals were primarily due to payments made.

The decrease in contract liabilities, consisting of advanced billings from customers, was due mainly to fulfilment of deliverables during FY2021.

The increase in borrowings was attributed principally to new working capital loans being raised as well as additional liabilities portion from the imputed interest charged on the two convertible loan notes.

The decrease in lease liabilities, consist of office building and equipment leases recognised in FY2020 under SFRS(1) 16 Leases, was due to the payments made during FY2021.

The increase in the share capital of the Company was due to the allotment and issuance of 107,373,400 Placement Shares, the allotment and issuance of 173,697,491 Rights Shares and the allotment and issuance of 97,300,000 Share Award Shares.

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) increased from 64.5% as at 31 March 2020 to 82.2% as at 31 March 2021;
2. the working capital position of the Group increased marginally from a negative US\$453,000 as at 31 March 2020 to a negative US\$500,000 as at 31 March 2021;
3. the net cash flow of the Group used in operations increased from US\$0.9 million in FY2020 to US\$2.8 million in FY2021; and
4. the net asset value of the Group increased by US\$0.3 million or 3.7% from US\$7.9 million as at 31 March 2020 to US\$8.2 million as at 31 March 2021, while the net asset value per ordinary share decreased from 0.42 US cents per share as at 31 March 2020 to 0.36 US cents per share as at 31 March 2021.

Having offered the Shareholders the first right to participate in the recent fund raising exercise of the Company carried out in February 2021, targeted for S\$16.2 million via the Rights Issue, of which S\$3.9 million was subscribed via the issue of the Rights Shares, the Company is currently at various advanced stages of active discussion with potential investors to raise additional capital for its operational needs via debt or equity or a combination of both and, coupled with its internally generated funds, to strengthen the working capital position of the Group.

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

We registered a near three-fold increase in turnover to US\$1.9 million in 2H2021 from that of US\$0.7 million in 1H2021. This is in line with the expectation stated in paragraph 10 of our results announcement for 1H2021 released on 14 November 2020, wherein it was mentioned that "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".

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

While the world at large is still blighted by the pernicious effects of the Covid-19 pandemics, the Group, aided by the Reactivation of Schedules, recorded a near three-fold increase in turnover to US\$1.9 million in 2H2021 from that of US\$0.7 million in 1H2021 and has managed to secure, as at this date of announcement, a sales order book in excess of US\$4.3 million. This resilience is largely the outcome of its unyielding business transformation initiatives instituted over the years in cultivating and enhancing IDRS, RES and new growth markets in the satcom segments for digital innovation. Equally encouraging is the commencement of a new revenue stream which the Group began to receive in FY2021 for a maiden sum of US\$84,000 via the end-users' subscriptions for solutions and/or air time services. The new revenue stream

is recurring in nature and is the key focus of the Group's transformed business model to grow it to a critical mass within the foreseeable future. The Company expects its recurring revenues to grow exponentially in FY2022 in tandem with its continual rollout of such products bundled with solution and/airtime services.

The market attention to IDRS was further heightened by the recent successive successful launches of the Capella Space's SAR satellites (of its Whitney series), as these commercial launches have added much credence to the value proposition of IDRS. With four such orbiting SAR satellites now equipped with the IDRS connectivity to support its missions, Capella Space looks set to continue to equip its new SAR satellites with IDRS for new launches over the duration of FY2022. Including Capella Space, the Company has to date a total of five clients committed to adopting the IDRS in their respective LEO satellite programs. They have plans to launch constellations for an aggregate of about 170 satellites over the next three to four years. In the meanwhile, the Company has also built a deal pipeline of more than 20 leads, including some premier and prominent players in the LEO satellite industry and expects to secure more new customers in FY2022. The IDRS terminals which have been commercially commissioned have had started to generate recurring airtime revenue for the Group, and the Company expects such recurring revenue to grow rapidly in tandem as more and more of the IDRS terminals are being rolled out by the existing and new customers of the Group.

Another major thrust of the Company's business lies in the design and supply of high-end RES systems which include our SDR modules. Such RES products are the enabling platforms for many innovative digital connectivity and data analytics applications. The Company has on hand a book order of more than US\$1 million for its RES solutions while expecting more orders to be generated from its deal pipeline due to the 'design-followed-by-supply' nature of its business models.

Similarly, the Company believes it has found its strong anchors in the vessel monitoring system for fisheries sustainability and IoT/M2M application for environmental sustainability. Although the deployment plans for such were delayed due to the wide-ranging effects of the counter-Covid-19 measures, the Company still manages to receive orders exceeding US\$500,000 from equipment sales with accompanying air time service activations in recent months. With increased awareness of Environmental, Social, and Governance (ESG) on a global scale, the prevailing market conditions favor sustainability efforts availed by the new marketing initiatives promoted by the Company jointly with its business partners, including Inmarsat and Pivotal, to ratchet up the Company's business prospects in this regard in the coming months.

Barring any escalation of the Covid-19 pandemic situation and any unforeseen circumstances, in view of the above considerations coupled with the Reactivation of Schedules, we are confident that the Group will perform significantly better in FY2022 relative to FY2021.

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 FY2022 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 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.

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 FY2021 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 has had been sought.

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

Not applicable

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.

**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.

(a) By geographical segments⁽¹⁾

FY2021	EMEA⁽²⁾	North America	Asia Pacific	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue				
Total revenue from external customers	116	1,399	1,150	2,665
<i>% Contribution</i>	4%	53%	43%	100%
Segment result	30	360	296	686
Unallocated expenses				(5,435)
Other income				640
Finance expenses				(1,768)
Loss before tax				(5,877)
Income tax reversal				-
Loss for the year				(5,877)
Segment assets				
- Segment assets	-	6,084	13,966	20,050
Segment liabilities				
- Segment liabilities	296	125	9,897	10,318
- Deferred tax liabilities	-	-	1,546	1,546
Total liabilities				11,864
Other information				
Capital expenditure				
- Plant and equipment	-	-	85	85
- Intangible assets	-	-	1,716	1,716
Impairment loss on development expenditure	-	-	-	-
Depreciation and amortisation	40	474	390	904

FY2020	EMEA ⁽²⁾	North America	Asia Pacific	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue				
Total revenue from external customers	90	7,460	2,077	9,627
<i>% Contribution</i>	1%	77%	22%	100%
Segment result	71	5,516	1,576	7,163
Unallocated expenses				(4,673)
Other income				450
Finance expenses				(1,131)
Loss before income tax				1,809
Income tax reversal				23
				1,832
Segment assets				
- Segment assets	181	6,018	13,334	19,533
Segment liabilities				
- Segment liabilities	372	12	9,711	10,095
- Deferred tax liabilities	-	-	1,546	1,546
Total liabilities				11,641
Other information				
Capital expenditure				
- Plant and equipment	-	-	525	525
- Intangible assets	-	-	1,950	1,950
Impairment loss on development expenditure	-	-	519	519
Depreciation and amortisation	8	661	184	853

Notes:

(1) The geographical segments represent the respective geographical segments of origin of our customers and not the destinations for the delivery of our products or the provision of our services.

(2) Refers to Europe, Middle East and Africa.

(b) By revenue streams

Turnover	The Group			
	FY2021		FY2020	
	US\$'000	% Contribution	US\$'000	% Contribution
IPS-Related Business	892	33	1,733	18
IDRS-Related Business	1,011	38	344	4
Design services	376	14	752	8
RES-Related Business	386	15	798	8
Licensing Fee income	-	-	6,000	62
	2,665	100	9,627	100

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.

By geographical segments

North America remained the dominant contributor to the turnover of the Group in FY2021, albeit at a decrease from 77% in FY2020 to 53% in FY2021 principally as a result of the Licensing Fee recorded in FY2020. 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

Spreading out quite evenly, our IDRS-Related Business and IPS-Related Business each contributed to about one-third of our turnover for FY2021 with the remaining one-third derived from our RES-Related Business and Design Services. In contrast, our turnover contribution for FY2020 was heavily weighted on licensing income as a result of the Licensing Fee.

18. Breakdown of sales

	FY2021 US\$'000	FY2020 US\$'000	% change
(i) Turnover reported for:			
- First half year ended 30 September	720	2,122	(66.1%)
- Second half year ended 31 March	1,945	7,505	(74.1%)
	2,665	9,627	(72.3%)
(ii) Net profit/ (loss) reported for:			
- First half year ended 30 September	(1,494)	(879)	(70.0%)
- Second half year ended 31 March	(4,383)	2,711	N/m
	(5,877)	1,832	N/m

Notwithstanding the curtailed business activities, the Group recorded a near three-fold increase in turnover to US\$1.9 million in 2H2021 from that of US\$0.7 million in 1H2021 as some of its deferred delivery schedules were reactivated by its clients in 2H2021.

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
Chairman & CEO

Tan Khai Pang
Director

30 May 2021