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**SILKWAVE**

**SILKWAVE INC**

**中播數據有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 471)**

**AGREEMENT TO PROVIDE SATELLITE -INTERNET AND DIGITAL MULTIMEDIA TO  
30,000+ INDONESIAN VILLAGES**

The Company is pleased to announce that it has entered into a strategic partnership agreement (“**Agreement**”) with PT Bum Desa Indonesia to form a joint-venture and provide satellite-based Internet connectivity and digital multimedia services to over 30,000 remote villages in Indonesia. The service will allow millions of households to access modern Internet and digital services for the first time. It represents a most cost-effective and scalable last-mile solution to bring about rich digital services to remote villages and promises to help eliminate the Digital Divide and leapfrog Indonesia’s digital economic transformation.

The Agreement was facilitated and endorsed by Space Aeronautics Association of Indonesia, and its signing was witnessed in a ceremony at the Hong Kong Grand Hyatt Hotel on 24 December 2022 by His Excellency Djauhari Oratmangun, Indonesian Ambassador to China, His Excellency Ricky Suhendar, Indonesian Consul General to Hong Kong, in front of an audience of industry partners and friends.

PT Bum Desa Indonesia (“BDI”) is an Indonesian national holding company of village enterprises created under the Indonesian Village Law 2014. It directly and indirectly manages over 30,000 Villages (Bumdes) and has access and networking with all the Villages in Indonesia. Its main task is to steer the development of digital and utility infrastructure of the Villages in collaboration with the government’s national effort of modernizing Indonesian Villages. Indonesia has approx. 18,750 islands and 75,000 Villages, which account for 40% of Indonesia’s 285 million population and most still do not have Internet access. Conventional terrestrial Internet connectivity infrastructure is economically and geographically too challenging. Satellite delivery is seen as the most viable option.

Under the Agreement, the Company will act as a master contractor to provide end-to-end technology and service solutions, which will include the space, ground, and end-user segments to enable holistic digital connectivity and services to the Villages, whereas BDI will provide all necessary local business operation and development support. Both parties will form a joint venture to operate the service franchise. The term of the Agreement is for 3 years and is automatically renewable every 3 years.

The Company’s technology solution is premised on its innovative Converged technology platform, which seeks to combine the state-of-the-art “SpaceX – Starlink” broadband Internet capability as well as regional “VSAT high-throughput” Internet capability with Silkwave’s own L-band mobile multimedia broadcasting / multicasting capability, such that both Internet and multimedia services will be independently received by ground terminals at each Village centre and integrated as a unified service to be channelled through Silkwave’s onsite high-speed Point-to-Multipoint WiFi Mesh Network for

wireless distribution all households within 20 to 30 km radius. As a result, villagers will be able to access both high-speed Internet service as well as unlimited and *data-charge-free* audio-video streaming-broadcasting on their individual smartphones, tablets, computers, and connected-devices.

Villagers are expected to pay for the services to the joint-venture partly through their existing government subsidies. Additional revenues are also expected to be generated from multiple value-added services such as digital advertising, online education, healthcare, infotainment, eCommerce, and eBanking, which will be operated by the joint-venture in collaboration with third party service providers.

Trial network service is expected to be set up for proof-of-concept in multiple sites in Indonesia starting February this year, which will later be followed by step-by-step commercial rollout across the country.

## **SIGNIFICANCE TO THE COMPANY**

The Agreement, if implemented, will allow the Company to quickly tap into a huge market and generate significant, stable, and long-term revenue streams, hence the financial resources to continue bolstering its development as Asia's leading satellite Internet data-as-a-service provider.

It will validate the Company's technology as the highly effective and desirable last-mile solution to be widely adopted across the ASEAN region, which is inundated with numerous ocean and mountain barriers that half of their 700 million population remains to be unconnected as a result.

It will mark the Company as one of first Hong Kong enterprises to deploy new-generation Internet and digital service in ASEAN's largest country that brings together the collaboration of Chinese supply-chain, China-US cutting-edge technologies, and international satellite networks to resolve the perennial rural connectivity problem while contributing to the development of an Asia-Pacific Digital Belt-Road and cementing Hong Kong as the regional hub for the coming space digital technology and services.

By order of the Board  
**SILKWAVE INC**

**Wong Chau Chi**  
Chairman

Hong Kong, 4 January 2023

*As at the date of this announcement, the executive director is Mr. WONG Chau Chi; the non-executive directors are Dr. LIU Hui, Mr. CHOU Tsan-Hsiung, Mr. YANG Yi and Mr. LUI Chun Pong; and the independent non-executive directors are Dr. LI Jun, Mr. CHOW Kin Wing and Mr. TAM Hon Wah.*