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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)

**INSIDE INFORMATION IN RELATION TO THE AGREEMENT
AND
RESUMPTION OF TRADING**

- 1. The Company entered into a service agreement with Smart Citi Teknologi to provide satellite broadband and government emergency information services to rural Philippines.**
- 2. The service fee will be paid by SCT on a "cost +" contract basis for a period of three years, after which it may be renewed by mutual consent.**
- 3. The agreement marks the first significant monetization opportunity of the Company's satellite platform and will generate significant revenue.**
- 4. The resumption of trading**

Reference is made to the announcement of Silkwave Inc (the “**Company**”) dated 25 May 2023 in relation to trading halt of the Company’s shares (on The Stock Exchange of Hong Kong Limited pending the release of an announcement containing inside information. This announcement is made by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

THE AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the wholly-owned subsidiary of the Company and Smart Citi Teknologi (“**SCT**”) entered into a service agreement (the “**Agreement**”) dated 25 May 2023, pursuant to which the wholly-owned subsidiary of the Company will act as the **Vendor** providing the services in the Philippines and SCT will act as the **Local Service Agent** procuring services in the Philippines for Vendor and making payments.

Services to be provided will be two-fold: 1) satellite-delivered broadband multimedia connectivity to remote villages (“**Village Broadband**”), and 2), satellite-delivered essential government information for the general public in times of national emergence. (“**Government Services**”). Such services will involve the Company’s L-band satellite mobile data delivery network as the primary infrastructure in conjunction with third party networks. The Company owns the only L-band mobile broadcasting / multicasting satellite with footprint over Asia capable of transmitting abundant IP-based audio-video and Internet content to unlimited users with blanket coverage and no data-charge in all weather conditions. Both parties intend to provide the necessary hardware, software, and technical expertise to ensure reliable and high-speed connectivity for the designated areas.

The principal terms of the Agreement are as follows:

Date:	25 May 2023
Parties:	(1) the wholly-owned subsidiary of the Company (2) SCT
Subject matter:	The Service Provider shall provide the necessary hardware, software, and technical expertise to ensure reliable and high-speed wifi connectivity for the designated areas.
Services:	Satellite-delivered broadband multimedia connectivity to remote villages, with rollout targeting at least 8,000 villages within 3 years. Satellite-delivered essential government information for the general public in times of national emergency (i.e., hurricane, earthquake, volcanic eruptions, public health and environmental disasters) via end-to-end solution connecting to individual mobile and connected devices.
Compensation:	Cost-Plus Payment: Based on the cost of all hardware, software, and engineering services provided plus a margin. Satellite Capacity Fee: Based on a basic annual fee plus an increment proportional to the number of users connected to the satellite capacity.

To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, SCT and the ultimate beneficial owner(s) of SCT are third parties independent of the Company and its connected persons (as defined under the Listing Rules) as at the date of this announcement.

Coming into effect and duration

This Agreement will come into effect upon signing by the Parties and will remain in force for a period of three (3) years from the date of its initial signature and may be further renewed upon mutual consent.

Termination

This Agreement may be terminated by either party by giving 2 (two) months prior written notice to the other party.

Amendments

Each Party will promptly notify the others in writing of any anticipated or actual material changes that will affect the implementation of this Agreement.

The Agreement may be amended by mutual consent of the Parties in writing at any time at the request of any Party.

SIGNIFICANCE TO COMPANY

The Agreement represents the first significant monetization opportunity of the Company's satellite capability and operating platform. It will potentially generate significant revenue to support Company's on-going development. It will also serve as a showcase for ASEAN and other Asia-Pacific countries for Company to expand similar services.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with immediate effect from 1:00p.m. on 25 May 2023. The Company has applied for a resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 29 May 2023.

Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
SILKWAVE INC

Wong Chau Chi
Chairman

Hong Kong, 28 May 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. 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.