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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
SERVICE CONTRACT TO PROVIDE L-BAND SATELLITE SERVICE IN
CHINA AND
RESUMPTION OF TRADING

This announcement is made by Silkwave Inc (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited 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).

ENTERING INTO A SERVICE CONTRACT AGREEMENT BY USING THE COMPANY’S SATELLITE PLATFORM

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that on 14 July 2023, the Company entered into a service contract (the “**Service Contract**”) with a satellite communication operator based in Shanghai. (the “**Operator**”).

According to the Service Contract, the Company, as service provider, will provide the Operator the necessary L-band spectrum capacity and related technical support. And the Operator will carry out satellite mobile communication and navigation service in the People Republic of China, for the contract sum of HK\$30.0 million and an initial term of 12 months. The service will commence upon the final technical setup expected to be completed during second half of 2023. The Service Contract is renewable yearly upon mutual agreement.

REASONS FOR AND BENEFITS OF THE SERVICE CONTRACT

The Group has been a mobile satellite Internet data service provider with unique L-band spectrum capacity in Asia, which is most suitable for delivering mobile communication, navigation, and broadcasting services from satellite directly connecting to ground mobile devices such as vehicles, handsets, and IoT terminals with ubiquity and low-cost.

The entering of Service Contract with a Chinese operator had indicated the recognition of the Group’s satellite service and its technology breakthrough in the telecommunication industry. Notable top tech giant like Apple, Amazon, SpaceX etc had been heavily invested in the field of satellite communication. And yet the Chinese market remains very difficult to enter.

The Service Contract with a local Operator signifies the Company could utilize its satellite platform to deploy cutting-edge commercial satellite service and become one of the market players in China, which not would allow the Group to generate significant revenues but also open up more possibilities to extend other satellite offering, notably, the satellite connected-car infotainment service, which the Company has been building for years with ready ecosystem support, and satellite-to-mobile service, which is the

latest drive of the global mobile industry to put satellite capability into next-generation 5G phones and smart devices to create the 6G standard. The Company's L-band is the only available and most ideal spectrum capacity for supporting the deployment of such services in scale and scope.

The Directors believe that the Service Contract is entered in the ordinary and usual course of business of the Company and on normal commercial terms and the terms of the Service Contract are fair and reasonable and in the interests of the Company and its shareholders as a whole.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the operator and its respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

ABOUT THE OPERATOR

The Operator is an enterprise that has been authorized by the Ministry of Information Industry in China to engage in the telecommunications satellite communication business, allowing it to provide advanced satellite communication services.

Established in 1998, the Operator has been utilizing the Ku-band of the Asian 3S satellites and has its operation in Shanghai International Satellite Station.

The Operator's focus lies in delivering cutting-edge satellite communication systems to cater to various sectors. It offers an interactive, modern network-based platform for multiple usage such as navigation, education and training, employing the most advanced satellite communication technology available. Additionally, the Operator is dedicated to build a broadband satellite network value-added platform for China. It also specializes in establishing internal private networks for large multi-access organizations, providing a unique three-dimensional seamless communication platform that combines ground fiber communication with satellite communication.

By leveraging its expertise and technological prowess, The Operator strives to meet the diverse communication needs of its government and commercial clients and contribute to the advancement of modern telecommunications in China.

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 1:00 p.m. on 11 July 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 17 July 2023.

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

By order of the Board
SILKWAVE INC

Wong Chau Chi
Chairman

Hong Kong, 14 July 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.