CIRCULAR DATED 13 July 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Addvalue Technologies Ltd. held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should at once hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



ADDVALUE TECHNOLOGIES LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603037H)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

This Circular is issued to you together with the Annual Report 2017 of Addvalue Technologies Ltd. The resolution proposed to be passed in relation to the above matter is set out in the Notice of Annual General Meeting attached to the Annual Report 2017.

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In this Circular, the following definitions apply throughout unless otherwise stated:

"2010 EGM"	:	The extraordinary general meeting of the Company held on 28 July 2010
"AGM"	:	The annual general meeting of the Company to be held on 28 July 2017 at 10.00 a.m
"Annual Report 2017"	:	The annual report of the Company for the financial year ended 31 March 2017
"Associate"	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty percent (30%) or more (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty percent (30%) or more
"Associated Company"	:	A company in which at least twenty percent (20%) but not more than fifty percent (50%) of its shares are held by the Company or the Group
"Board"	:	The Board of Directors of the Company for the time being
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 13 July 2017
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
"Company"	:	Addvalue Technologies Ltd.

"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly fifteen percent (15%) or more of the total number of issued shares excluding Treasury Shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
"Directors"	:	The directors of the Company as at the date of this Circular
"EPS"	:	Earnings per Share
"FY"	:	The financial year ended or ending 31 March
"Group"	:	The Company and its subsidiaries
"Latest Practicable Date"	:	30 June 2017, being the latest practicable date prior to the printing of this Circular
"Listing Manual" or "Listing Rules"	:	The listing manual of the SGX-ST, or the rules contained therein, as amended or modified from time to time
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Market Purchase"	:	Has the meaning ascribed to it in Paragraph 3.3(a) of this Circular
"Memorandum"	:	Memorandum of association of the Company
"NAV"	:	Net asset value
"Off-Market Purchase"	:	Has the meaning ascribed to it in Paragraph 3.3(b) of this Circular
"Relevant Period"	:	The period commencing from the date on which the AGM is held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Buyback Mandate is passed
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Registered holders of the Shares, (other than CDP), or in the case of Depositors, who has Shares entered against their name in the Depository Register
"Shares"	:	Ordinary shares in the share capital of the Company
"Substantial Shareholder"	:	A Shareholder who has an interest in not less than five percent (5%) of the issued Shares

"Share Buyback Mandate"	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Listing Manual
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
"S$", "$" and "Singapore cents"	:	Singapore dollar and cents, respectively
"US$" and "US cents"	:	United States dollars and cents, respectively
"%"	:	Per centum or percentage

The terms "***Depositors***", "***Depository***", "***Depository Agent***" and "***Depository Register***" shall have the meanings ascribed to them, respectively, in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

ADDVALUE TECHNOLOGIES LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603037H)

Directors:

Dr Chan Kum Lok, Colin (Chairman & Chief Executive Officer)
Mr Tan Khai Pang (Chief Operating & Technology Officer)
Mr Lim Han Boon (Lead Independent Director)
Mr Ang Eng Lim (Independent Director)
Mr Michael Butler (Independent Director)

Registered Office:

8 Tai Seng Link,
Level 5 (Wing 2)
Singapore 534158

13 July 2017

To: **The Shareholders of Addvalue Technologies Ltd.**

Dear Sir/Madam

PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

The Directors wish to refer to the Notice of AGM dated 13 July 2017, accompanying the Annual Report 2017, to convene the AGM to be held on 28 July 2017 and the Resolution 5 under the heading "As Special Business" set out in the Notice of AGM to seek Shareholders' approval for the proposed renewal of the general mandate to be given for the purchase or acquisition by the Company of its own Shares (the "**Share Buyback Mandate**").

The purpose of this Circular is to provide Shareholders with information pertaining to the aforesaid proposal to renew the Share Buyback Mandate, and to seek Shareholders' approval in respect of the same at the AGM to be held on 28 July 2017 at 10.00 a.m.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

The Share Buyback Mandate was first obtained at an extraordinary general meeting of Shareholders dated 28 July 2010 (the "**2010 EGM**"), the details of the Share Buyback Mandate was set out in the Company's circular to the Shareholders dated 12 July 2010 (the "**July 2010 Circular**").

The Share Buyback Mandate was renewed at the last annual general meeting held on 28 July 2016, such mandate being expressed to take effect until the conclusion of the Company's forthcoming AGM. Accordingly, the Directors propose that the Share Buyback Mandate be renewed at the forthcoming AGM to be held on 28 July 2017, to take effect until the conclusion of the AGM to be held in 2018.

The July 2010 Circular contained the terms of the mandate for the purchase or acquisition by the Company of its issued Shares. The terms of the mandate for the share buybacks by the Company in respect of which the Share Buyback Mandate is sought to be renewed are set out in this Circular for the easy reference of the Shareholders.

2.1 Rationale

The Directors constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A share buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

Share buybacks provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the EPS and/or NAV per Share.

The Directors further believe that share buybacks by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholder confidence.

If and when circumstances permit, the Directors will decide whether to effect the Share purchases via Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out share buybacks to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group.

2.2 Mandate

Approval was sought from Shareholders at an annual general meeting held on 28 July 2016 for the renewal of the Share Buyback Mandate for the purchase or acquisition by the Company of its issued Shares. With the approval, the Share Buyback Mandate took effect from the date of the said annual general meeting and will continue in force until the date of the forthcoming AGM of the Company or such date as the next AGM is required by law or by the Articles of the Company to be held, unless prior thereto, share buybacks are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in a general meeting.

Approval is being sought from Shareholders at the AGM for the renewal of the Share Buyback Mandate for the purchase or acquisition by the Company of its issued Shares. If approved, the Share Buyback Mandate will take effect from the date of the AGM and will continue in force until the conclusion of the next AGM of the Company or such date as the next AGM is required by law or by the Articles of the Company to be held, unless prior thereto, share buybacks are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in a general meeting. It is presently intended that the Share Buyback Mandate will be put to Shareholders for renewal at each subsequent AGM of the Company.

3. THE TERMS OF THE MANDATE

The authority for and limitations placed on purchases of Shares by the Company under the Share Buyback Mandate, are summarised below:

3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company during the Relevant Period or within any one financial year of the Company, whichever is the earlier, is limited to that number of Shares representing not more than ten percent (10%) of the issued ordinary share capital of the Company (excluding Treasury Shares) as at the date of the AGM at which the Share Buyback Mandate is approved (the "**Approval Date**") (unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act), at any time during the Relevant Period in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as the Latest Practicable Date of 30 June 2017, comprising 1,770,441,084 Shares, and assuming that no further Shares are issued on or prior to the AGM, not more than 177,044,108 Shares (representing ten percent (10%) of the issued and paid-up share capital of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

(a) the date on which the next annual general meeting of the Company is held or required by law to be held;

(b) the date on which the share buybacks are carried out to the full extent mandated; or

(c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Company in a general meeting.

3.3 Manner of purchase of Shares

Purchases of Shares may be made by way of, *inter alia*:

(a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(b) off-market purchases ("**Off-Market Purchase**") effected pursuant to an equal access scheme or schemes as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual.

Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

(a) offers for the purchase or acquisition of the issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;

(b) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(c) the terms of all the offers are the same, except that there shall be disregarded:

  (i) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;

  (ii) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and

  (iii) differences in the offers introduced solely to secure that each person is left with a whole number of shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed share buyback;

(d) the consequences, if any, of share buybacks by the Company that will arise under the Take-over Code or other applicable take-over rules;

(e) whether the share buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;

(f) details of any share buyback made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(g) whether the shares purchased by the Company will be cancelled or kept as Treasury Shares.

3.4 Maximum purchase price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

(a) in the case of a Market Purchase, one hundred and five percent (105%) of the Average Closing Price (as defined hereinafter); and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty percent (120%) of the Highest Last Dealt Price (as defined hereinafter),

(the "**Maximum Price**") in either case, excluding related expenses of the purchase.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period;

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

4. STATUS OF PURCHASED SHARES UNDER THE SHARE BUYBACK MANDATE

A Share purchased or acquired by the Company is, unless held as a Treasury Share in accordance with the Companies Act, is deemed cancelled immediately on purchase or acquisition. On such cancellation, all rights and privileges attached to the Share will expire and the Company's issued share capital shall be diminished by the nominal value of those Shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares. The total number of shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued shares.

Where Shares purchased or acquired by the Company are held as Treasury Shares, the Company shall be entered into its register of members as the member holding the Treasury Shares, but shall not exercise any right, including voting and dividend rights, in respect of the Treasury Shares other than as provided by the Companies Act. The Company may deal with Treasury Shares in any of the following ways:

(a) sell the Treasury Shares for cash;

(b) transfer the Treasury Shares for the purposes of an employees' share scheme;

(c) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the Treasury Shares; or

(e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister of Finance.

In addition, under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such Treasury Shares, the purpose of such sale, transfer, cancellation and/or use of such Treasury Shares, the number of Treasury Shares sold, transferred, cancelled and/or used, the number of Treasury Shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of Treasury Shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use and the value of the Treasury Shares if they are used for a sale or transfer, or cancelled.

5. SOURCE OF FUNDS FOR SHARE BUYBACK

The Companies Act, subject to the Articles, permit the Company to purchase its own Shares out of capital, as well as from its distributable profits, provided that:

(a) the Company is able to pay its debts in full at the time it purchases the Shares and will be able to pay its debts as they fall due in the normal course of business in the 12 months immediately following the purchase; and

(b) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the purchase of Shares become less than the value of its liabilities (including contingent liabilities).

Further, for purpose of determining the value of a contingent liability, the Directors or managers of the Company may take into account the following:

(a) the likelihood of the contingency occurring; and

(b) any claim the Company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

The Company may use internal sources of funds and/or external borrowings to finance the Company's purchase or acquisition of the Shares pursuant to the Share Buyback Mandate. The Directors will only make purchases or acquisitions pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

6. FINANCIAL EFFECTS OF THE SHARE BUYBACK MANDATE

The financial effects on the Company and the Group arising from purchase or acquisition of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, the number of Shares purchased or acquired, whether such purchase or acquisition is made out of capital and/or profits, and the price paid for such Shares. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 March 2017, are based on the following principal assumptions:

(a) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 1 April 2016 for the purpose of computing the financial effects on the EPS of the Group;

(b) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 31 March 2017 for the purpose of computing the financial effects on the shareholders' equity, NAV per Share and gearing of the Group and the Company;

(c) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate is assumed to be financed by external borrowings; and

(d) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

6.1 Purchase or acquisition out of capital

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount of distributable profits available for cash dividends by the Company will not be reduced.

6.2 Proforma financial effects

For illustrative purposes only, and on the basis of the assumptions set out below, the proforma financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of (i) purchases made entirely out of capital and cancelled and (ii) by way of purchases made entirely out of capital and held as Treasury Shares, on the audited financial statements of the Group and the Company for the financial year ended 31 March 2017 (the "**Audited Financial Statements**") are set out below.

(a) Purchases made entirely out of capital and Shares repurchased are cancelled

Market Purchases

For illustrative purposes only, in a Market Purchase, assuming that the Maximum Price is S$0.0546, which is five percent (5%) above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 177,044,108 Shares (representing ten percent (10%) of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the Share Buyback Mandate, is approximately US$7,014 million. On these assumptions and further assuming the purchase of Shares was financed by external borrowings and the interest cost is assumed to be 10.5% per annum, the effect of the purchase of Shares by the Company pursuant to the Share Buyback Mandate on the EPS, the shareholders' equity, NAV per Share and gearing of the Group and the Company are as follows:

As at 31 March 2017	The Group		The Company	
	Per audited financial statements	Proforma after Share buyback	Per audited financial statements	Proforma after Share buyback
	US$'000	US$'000	US$'000	US$'000
Share capital	66,753	59,739	66,753	59,739
Capital reserve	747	747	–	–
Statutory reserve	8	8	–	–
Foreign currency translation reserve	(11)	(11)	–	–
Accumulated losses	(53,838)	(54,574)	(52,484)	(53,220)
Total equity	13,659	5,909	14,269	6,519
Non-current assets	14,302	14,302	16,338	16,338
Current assets	5,581	5,581	47	47
Current liabilities	(6,053)	(6,789)	(2,116)	(2,852)
Non-current liabilities	(171)	(7,185)	–	(7,014)
Net assets	13,659	5,909	14,269	6,519
Total Borrowings	1,726	8,740	1,037	8,051
Cash and cash equivalents	215	215	2	2
Net (loss)/profit attributable to shareholders	(3,464)	(4,200)	1,990	1,254
Number of Shares outstanding as at 31 March 2017 ('000)	1,583,141	1,406,097	1,583,141	1,406,097
Weighted average number of Shares outstanding during the year ended 31 March 2017 ('000)	1,500,731	1,323,687	1,500,731	1,323,687
Financial Ratios				
NAV per Share[(1)]	0.86	0.42	0.90	0.46
Gearing[(2)]	0.11	1.44	0.07	1.23
EPS[(3)] (cents)	(0.23)	(0.32)	0.13	0.09

Notes:

(1) NAV per Share equals to the net asset value divided by the number of Shares outstanding as at 31 March 2017.

(2) Gearing equals to total bank and other borrowings net of cash and cash equivalents divided by total equity.

(3) EPS equals to loss attributable to Shareholders divided by the weighted average number of Shares outstanding during the year ended 31 March 2017.

Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S$0.0624, which is twenty percent (20%) above the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 177,044,108 Shares (representing approximately ten percent (10%) of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the Share Buyback Mandate, is approximately US$8,016 million. On these assumptions and further assuming the purchase of Shares was financed by external borrowings and the interest cost is assumed to be 10.5% per annum, the effect of the purchase of Shares by the Company pursuant to the Share Buyback Mandate on the EPS, the shareholders' equity, NAV per Share and gearing of the Group and the Company are as follows:

As at 31 March 2017	The Group		The Company	
	Per audited financial statements	Proforma after Share buyback	Per audited financial statements	Proforma after Share buyback
	US$'000	US$'000	US$'000	US$'000
Share capital	66,753	58,737	66,753	58,737
Capital reserve	747	747	–	–
Statutory reserve	8	8	–	–
Foreign currency translation reserve	(11)	(11)	–	–
Accumulated losses	(53,838)	(54,680)	(52,484)	(53,326)
Total equity	13,659	4,801	14,269	5,411
Non-current assets	14,302	14,302	16,338	16,338
Current assets	5,581	5,581	47	47
Current liabilities	(6,053)	(6,895)	(2,116)	(2,958)
Non-current liabilities	(171)	(8,187)	–	(8,016)
Net assets	13,659	4,801	14,269	5,411
Total Borrowings	1,726	9,742	1,037	9,053
Cash and cash equivalents	215	215	2	2
Net (loss)/profit attributable to shareholders	(3,464)	(4,306)	1,990	1,148
Number of Shares outstanding as at 31 March 2017 ('000)	1,583,141	1,406,097	1,583,141	1,406,097
Weighted average number of Shares outstanding during the year ended 31 March 2017 ('000)	1,500,731	1,323,687	1,500,731	1,323,687
Financial Ratios				
NAV per Share[(1)]	0.86	0.34	0.90	0.38
Gearing[(2)]	0.11	1.98	0.07	1.67
EPS[(3)] (cents)	(0.23)	(0.33)	0.13	0.09

Notes:

(1) NAV per Share equals to net asset value divided by the number of Shares outstanding as at 31 March 2017.

(2) Gearing equals to total bank and other borrowings net of cash and cash equivalents divided by total equity.

(3) EPS equals to the loss attributable to Shareholders divided by the weighted average number of Shares outstanding during the year ended 31 March 2017.

(b) Purchases made entirely out of capital and Shares repurchased are held as Treasury Shares

Market Purchases

For illustrative purposes only, in a Market Purchase, assuming that the Maximum Price is S$0.0546 which is five percent (5%) above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 177,044,108 Shares (representing ten percent (10%) of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the Share Buyback Mandate, is approximately US$7,014 million. On these assumptions and further assuming the purchase of Shares was financed by external borrowings and the interest cost is assumed to be 10.5% per annum, the effect of the purchase of Shares by the Company pursuant to the Share Buyback Mandate on the EPS, the shareholders' equity, NAV per Share and gearing of the Group and the Company are as follows:

	The Group		The Company	
As at 31 March 2017	**Per audited financial statements**	**Proforma after Share buyback**	**Per audited financial statements**	**Proforma after Share buyback**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Share capital	66,753	66,753	66,753	66,753
Capital reserve	747	747	–	–
Statutory reserve	8	8	–	–
Foreign currency translation reserve	(11)	(11)	–	–
Accumulated losses	(53,838)	(54,574)	(52,484)	(53,220)
Treasury shares	-	(7,014)	-	(7,014)
Total equity	13,659	5,909	14,269	6,519
Non-current assets	14,302	14,302	16,338	16,338
Current assets	5,581	5,581	47	47
Current liabilities	(6,053)	(6,789)	(2,116)	(2,852)
Non-current liabilities	(171)	(7,185)	–	(7,014)
Net assets	13,659	5,909	14,269	6,519
Total Borrowings	1,726	8,740	1,037	8,051
Cash and cash equivalents	215	215	2	2
Net (loss)/profit attributable to shareholders	(3,464)	(4,200)	1,990	1,254
Number of Shares outstanding as at 31 March 2017 ('000)	1,583,141	1,406,097	1,583,141	1,406,097
Weighted average number of Shares outstanding during the year ended 31 March 2017 ('000)	1,500,731	1,323,687	1,500,731	1,323,687
Financial Ratios				
NAV per Share[(1)]	0.86	0.42	0.90	0.46
Gearing[(2)]	0.11	1.44	0.07	1.23
EPS[(3)] (cents)	(0.23)	(0.32)	0.13	0.09

Notes:

(1) NAV per Share equals to net assets divided by the number of Shares outstanding as at 31 March 2017.

(2) Gearing equals to total bank and other borrowings net of cash and cash equivalents divided by total equity.

(3) EPS equals to loss attributable to Shareholders divided by the weighted average number of Shares outstanding during the year ended 31 March 2017.

Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S$0.0624, which is twenty percent (20%) above the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 177,044,108 Shares (representing approximately ten percent (10%) of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the Share Buyback Mandate, is approximately US$8,016 million. On these assumptions and further assuming the purchase of Shares was financed by external borrowings and the interest cost is assumed to be 10.5% per annum, the effect of the purchase of Shares by the Company pursuant to the Share Buyback Mandate on the EPS of the Group, the shareholders' equity, NAV per Share and gearing of the Group and the Company are as follows:

	The Group		The Company	
As at 31 March 2017	**Per audited financial statements**	**Proforma after Share buyback**	**Per audited financial statements**	**Proforma after Share buyback**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Share capital	66,753	66,753	66,753	66,753
Capital reserve	747	747	–	–
Statutory reserve	8	8	–	–
Foreign currency translation reserve	(11)	(11)	–	–
Accumulated losses	(53,838)	(54,680)	(52,484)	(53,326)
Treasury shares	–	(8,016)	–	(8,016)
Total equity	13,659	4,801	14,269	5,411
Non-current assets	14,302	14,302	16,338	16,338
Current assets	5,581	5,581	47	47
Current liabilities	(6,053)	(6,895)	(2,116)	(2,958)
Non-current liabilities	(171)	(8,187)	–	(8,016)
Net assets	13,659	4,801	14,269	5,411
Total Borrowings	1,726	9,742	1,037	9,053
Cash and cash equivalents	215	215	2	2
Net (loss)/profit attributable to shareholders	(3,464)	(4,306)	1,990	1,148
Number of Shares outstanding as at 31 March 2017 ('000)	1,583,141	1,406,097	1,583,141	1,406,097
Weighted average number of Shares outstanding during the year ended 31 March 2017 ('000)	1,500,731	1,323,687	1,500,731	1,323,687
Financial Ratios				
NAV per Share(1)	0.86	0.34	0.90	0.38
Gearing(2)	0.11	1.98	0.07	1.67
EPS(3) (cents)	(0.23)	(0.33)	0.13	0.09

Notes:

(1) NAV per Share equals to net asset value divided by the number of Shares outstanding as at 31 March 2017.

(2) Gearing equals to total bank and other borrowings net of cash and cash equivalents divided by total equity.

(3) EPS equals to the loss attributable to Shareholders divided by the weighted average number of Shares outstanding during the year ended 31 March 2017.

Shareholders should note that the proforma financial effects set out above are for illustrative purposes only. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to ten percent (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten percent (10%) of the issued Shares.

7. TAXATION

Shareholders who are in doubt as to their respective tax provisions or any tax implications arising from the Share Buyback Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

8. LISTING RULES

Rule 886(1) of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, by 9.00 a.m. on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details of the total number of shares purchased, number of shares cancelled, number of shares held as Treasury Shares, the purchase price per share or the highest and lowest prices paid for such shares, the total consideration (including stamp duties, clearing charges etc.) paid or payable for the shares, as applicable.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision, until the price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST, the Company would not purchase or acquire any Shares through Market Purchases during the period commencing two (2) weeks immediately preceding the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month immediately preceding the announcement of the Company's financial statements for its annual (full-year) results, and ending on the date of the announcement of the relevant results.

Rule 723 of the Listing Manual requires a listed company to ensure that at least ten percent (10%) of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, the Company had 4,678 Shareholders, and approximately ninety-one percent (91%) of the issued Shares were held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full ten percent (10%) limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

9. TAKE-OVER OBLIGATIONS

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

(a) A company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the aforesaid companies, and any company whose associated companies include any of the aforesaid companies. For this purpose, a company is an associated company of another company if the second company owns or controls at least twenty percent (20%) but not more than fifty percent (50%) of the voting rights of the first-mentioned company;

(b) A company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(c) A company with any of its pension funds and employee share schemes;

(d) A person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;

(e) A financial or other professional adviser (including a stockbroker), with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total ten percent (10%) or more of the client's equity share capital;

(f) Directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(g) Partners; and

(h) An individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions and companies controlled by any of the aforesaid persons.

The circumstances under which Shareholders of the Company (including Directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties, being in aggregate less than thirty percent (30%) before such purchase or acquisition, would increase to thirty percent (30%) or more, or if the voting rights of such Directors and their concert parties fall between thirty percent (30%) and fifty percent (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one percent (1%) in any period of six (6) months.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to thirty percent (30%) or more, or, if such Shareholder holds between thirty percent (30%) and fifty percent (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one percent (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

10. APPLICATION OF THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS

The Directors are not aware of any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buyback Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council (SIC) and/or their professional advisers at the earliest opportunity.

11. SHARES PURCHASED BY THE COMPANY

The Company currently does not hold any Treasury Shares and has not made any buyback of its Shares in the 12 months preceding the date of this Circular.

12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of Directors and substantial shareholders of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Company's Register of Substantial Shareholders, were as follows:

	Number of Shares			
	Direct Interest	%[1]	Deemed Interest	%[1]
Director				
Dr Chan Kum Lok, Colin	39,190,960	2.21	–	–
Mr Tan Khai Pang	48,900,360	2.76	–	–
Mr Lim Han Boon	26,654,080	1.51	–	–
Mr Ang Eng Lim	4,134,186	0.23	–	–
Mr Michael Butler	2,666,666	0.15	–	–
Substantial Shareholders				
–	–	–	–	–

Save as disclosed above, none of the Directors has any direct interest in the share capital of the Company or any of its subsidiaries.

Notes:

(1) Percentages are based on the issued capital of the Company of 1,770,441,084 as at 30 June 2017.

13. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed Share Buyback Mandate is in the best interests of the Company, and accordingly recommend Shareholders to vote in favour of the Resolution 5 relating thereto to be proposed at the AGM as set out in the Notice of AGM despatched to Shareholders together with the Annual Report 2017 of the Company.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts, the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in the Circular in its proper form and context.

15. REPORTING REQUIREMENTS

Within 30 days of the passing of the Shareholders' resolution to approve or renew the Share Buyback Mandate, the Company shall lodge a copy of such resolution with the Registrar.

The Company shall lodge with the Registrar a notice of the Share Buyback within 30 days of such Share Buyback. Such notification shall include the date of the purchases, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Treasury Shares held, the Company's issued share capital before and after the purchases, the amount of consideration paid by the Company for the purchases, whether the Shares were purchased out of the profits or the capital of the Company and such other particulars as may be required in the prescribed form.

Within 30 days of the cancellation or disposal of Treasury Shares in accordance with the Act, the Company shall lodge with the Registrar a notice of the cancellation or disposal of Treasury Shares with such particulars as may be required in the prescribed form.

16. COMPLIANCE WITH GOVERNING LAWS, REGULATIONS AND THE ARTICLES

The Company confirms that the terms of the proposed Share Buyback Mandate as set out in this Circular do not contravene any laws, regulations and the Articles governing the Company.

17. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Circular up to and including the date of the AGM:

(a) the Constitution of the Company; and

(b) Annual Report 2017.

Yours faithfully
For and on behalf of the Board of Directors of
ADDVALUE TECHNOLOGIES LTD

Dr Chan Kum Lok, Colin
Chairman & CEO