

## NEWS RELEASE



### ADDVALUE TECHNOLOGIES LTD

Company Registration Number: 199603037H

## ADDVALUE COLLABORATES WITH HUAAN XINGKE, A BEIJING TECHNOLOGY COMPANY, TO DEVELOP MULTI-MODE BROADBAND TERMINAL

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**Singapore, 6 February 2018** – Singapore Exchange Mainboard-listed Addvalue Technologies Ltd (“Addvalue”, together with its subsidiaries, the “Group”), a leading player in the mobile satellite communications industry, today announced that its Beijing based wholly-owned subsidiary, Zhongxing Chuangzhi Technology Ltd (中新创值(北京)科技有限公司)(“Zhongxing Chuangzhi”), has entered into a collaboration agreement with Huaan Xingke Information Technology Ltd (华安星科(北京)信息技术有限公司)(“Huaan Xingke”), a company incorporated in Beijing, to develop, market and distribute products and services integrating the China Beidou navigation and satellite communications technologies for a number of vertical markets. The collaboration includes multi-mode broadband product development and the associated technical training to support partners in the fishing vessel industries in China and the South East Asia region.

The collaboration is expected to deliver products over three years starting from the second half of 2018 at an expected combined revenue of more than US\$12 million, with an initial order of about US\$1 million to be fulfilled within 2018.

Huaan Xingke is an authorised China Beidou Navigation Service Provider, and is the **ONLY** entity authorised by the Chinese government to operate Beidou services outside China. Over the years of relentless development of products and services, Huaan Xingke has become a leading provider of Beidou Radio Determination Satellite Services (RDSS) to both governmental and private sectors in China. It has also made breakthroughs in markets outside China and is poised to further expand its oversea businesses under the China’s ‘Belt and Road Initiatives’ (‘一带一路倡议’).

**Mr Su Guang Hua, Chairman of Huaan Xingke** remarked that: *"The Beidou technology is well proven for its stability and reliability and it is time to expand its applications in combining with different satellite communications technologies to reach out to new markets and applications. The overall market conditions are very favorable because of the Chinese government's push for more 'Civil and Military Integration'.*

**Mr Xue Feng, General Manager of Zhongxing Chuangzhi** commented that: *"Following the success of establishing Addvalue's market share in China with SF2500 and AD1000 terminals, this collaboration with Huaan Xingke signifies another important milestone in Addvalue's expansion into the China market and its relevance to the China new economic and modernization plans such as the 'Belt and Road Initiatives' and 'Civil-Military Integration'".*

**Mr Tan Khai Pang, COO/CTO of Addvalue** elaborated that: *"This is an outcome of Addvalue's relentless efforts to build partnerships in China. Addvalue has been tracking closely with the technologic and market development in China and is ready to push out products designed with Beidou system integration and other bespoke designs to specifically meet the needs of China market. Such collaboration resonates well with our business transformation plan of 'Emerging Market Focus' and 'Commercial Re-focusing'".*

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### **About Beidou Navigation Satellite System**

*The Beidou Navigation Satellite System (北斗卫星导航系统) is a Chinese satellite navigation system. It consists of two separate satellite constellations - a limited test system that has been operating since 2000, and a full-scale global navigation system that is currently under construction.*

*The first Beidou system, officially called the Beidou Satellite Navigation Experimental System (北斗卫星导航试验系统) and also known as Beidou-1, consists of three satellites and offers limited coverage and applications. It has been offering navigation services, mainly for customers in China and neighboring regions since 2000.*

*The second generation of the system, officially called the Beidou Navigation Satellite System (BDS) and also known as COMPASS or Beidou-2, will be a global satellite navigation system consisting of 35 satellites, and is under construction as of January 2015. It became operational in China in December 2011, with 10 satellites in use and began offering services to customers in the Asia-Pacific region in December 2012. It is planned to begin serving global customers upon its completion in 2020.*

*In 2015, China started the build-up of the third generation Beidou system (BDS-3) in the global coverage constellation. The first BDS-3 satellite was launched 30 March 2015. As of January 2018, nine BDS-3 satellites have been launched.*

*According to China Daily, fifteen years after the satellite system was launched, it is now generating a turnover of US\$31.5 billion per annum for major companies such as China Aerospace Science and Industry Corp, AutoNavi Holdings Ltd, and China North Industries Group Corp.*

*Beidou has been described as a potential navigation satellite system to overtake GPS in global usage, and is expected to be more accurate than the GPS once it is fully completed. The current third generation of Beidou claims to reach millimeter-level accuracy (with post-processing), which is ten times more accurate than the finest level of GPS.*

**About Civil and Military Integration (军民融合) (“CMI”)**

*CMI is both a driving force in acquisition reform and a product of acquisition reform. It is a concept that advocates bringing together the commercial and military sectors of industry, so both commercial and military work can be performed in a common facility using commercial processes and practices. CMI addresses two major concerns — the erosion of the traditional defense industry that resulted from downsizing, and the need to sweep in commercial sector companies that produce technology and products that could be leveraged for defense purposes. With a strong defense industrial base, competition can be increased; and using best-value solutions can provide affordable products and services. In addition, using commercial practices requires less government oversight and, therefore, reduces the government's infrastructure costs. CMI also allows companies to bring together company-wide assets and resources that otherwise would be separated by type of work. The resulting efficiencies reduce operating costs and overhead. In addition, there is an ability to provide the best solutions for commercial and government customers alike.*

**About Addvalue Technologies Ltd. ([www.addvaluetech.com](http://www.addvaluetech.com))**

*Addvalue Technologies Ltd (A31) a SGX Mainboard-listed company, is a leading one-stop digital, wireless and broadband communications technology products innovator, which provides state-of-the-art satellite-based communication terminals and solutions for a variety of voice and IP based data applications.*

*Addvalue is presently a leading global developer and supplier of mobile satellite terminals supporting coverage provided by premier mobile satellite communication system operators. These terminals are an ideal choice for communications in areas around the world where terrestrial networks are non-existent, or ineffective. This is particularly so for maritime communications, which rely almost entirely on satellite communications, where Addvalue's marine communications terminals are well suited.*

**About Huaan Xingke ( “华安星科” ) ([www.haxknet.com](http://www.haxknet.com))**

*Huaan Xingke, registered and established in Beijing, China since April 2007, is a technology company which owns various patents and proprietary technology. Its main business is to develop, market and distribute products and services integrating the China Beidou navigation and satellite communications and related electronics, optoelectronic products. Huaan Xingke also develops applications supporting Geographic Information System (GIS), remote sensing data processing for satellite mapping etc.*

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