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**ENQUIRIES FROM SHAREHOLDERS ON THE INTELLECTUAL  
PROPERTY ASSETS OF THE COMPANY AND ITS SUBSIDIARIES**

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On 12 October 2018, Addvalue Technologies Ltd (the “**Company**”) received the following two enquiries from two different shareholders of the Company, via its corporate website:

1. *“It is my concern that the Company’s share price has been plummeting despite many positive announcements made on IDRS, SDR contracts and others (which had been ignored by the market). I think that more information needs to be conveyed to shareholders, such as the growth potential and market size of IDRS, SDR and others. For myself, and perhaps other shareholders as well, may I know the worth of your intellectual property asset, such as IDRS, SDR and others, or is there any market valuation for these products.”*
2. *“Does the Company have any idea how much the Intellectual Properties owned are worth or valued? If do, please make it public. At least the shareholders and public will have an idea how much the Company could be worth.”*

While it is not the normal practice of the Company to respond to every enquiry it received from its website, in light of the aforesaid queries and having considered the nature of the business and assets of the Company and its subsidiaries (collectively, the “**Group**”), the Board of Directors of the Company (the “**Board**”) is of the view that it would be good to provide the shareholders of the Company and the investing public at large additional information and clarification on the intangible assets of the Group. The Board notes that the crux of the two separate enquiries received from the shareholders of the Company relates to the core existence of the Group.

Since its formation, the Group, in essence, is both a people and technology company. Counting its staff and Intellectual Properties (“**IPs**”) as its key, indispensable and overriding assets, the Group takes great pride and care in enhancing, managing and safeguarding these assets. Without the pool of competent and loyal staff which the Group conscientiously cultivates and the range of IPs which the Group has painstakingly developed and have them progressively commercialized over time, the Group would not have been where it is today.

Unfortunately, the generally accepted accounting principles adopted by the Group do not allow the intrinsic value and worth of the invaluable staff and IPs of the Group from being accounted for in the accounting books of the Group. Such intrinsic value (including that of the IPs) is accordingly not reflected in the financial position and the financial performance of the Group.

Notwithstanding which, the Company had in 2017 engaged the professional service of EverEdge Global (NZ) Limited (“**EverEdge**”), an intangible asset specialist

([www.everedgeglobal.com](http://www.everedgeglobal.com)) recognized by the Intellectual Property Office of Singapore (IPOS), a statutory board under the Ministry of Law of Singapore, to review the Group's IP assets relating to both its IDRS and non-IDRS businesses. The role and scope of work of EverEdge for this exercise was to review the adequacy of the Group's IP protection procedures, documentation and associated risks; and to provide an IP strategy as well as a valuation report for management to use as a planning tool to maximize the value and impact of the Group's IP assets.

Using its proprietary approach (which considered quantitative, qualitative and contextual inputs) and taking into account the values of all the IPs of the Group but not its human capital, EverEdge valued the business of the Group at approximately S\$123.00 million as at 31 May 2017 (the "**Valuation**"). As the Valuation so derived by EverEdge was only intended for management internal reference and not for any other purpose, the said information was not previously shared with the shareholders of the Company or the investing public at large.

With regard to the market size of the IDRS business of the Group, which the Group is currently targeting specifically the small satellites market in the New Space\* segment, the prevailing growth potentials of the IDRS market is tremendous and have outgrown the expectations/assumptions assumed in the derivation of the Valuation; the continuous line-up of partnerships which the Group forged since August 2017 testified to the commercial tractions for the Group's IDRS products and services, which have not only gained momentum but also in intensity in recent months. The Group anticipates a few more IDRS contracts to be signed for the remaining period of the financial year ending 31 March 2019 ("**FY2019**"), and expects the forged partnerships to help accelerate the growth of its IDRS business in FY2019 and beyond.

Reports on the market size and value of the small satellites market in the New Space\* segment can be found on the internet. The following are some examples:

1. [http://www.euroconsult-ec.com/6\\_August\\_2018](http://www.euroconsult-ec.com/6_August_2018)
2. [http://www.euroconsult-ec.com/13\\_July\\_2017](http://www.euroconsult-ec.com/13_July_2017)

#### **BY ORDER OF THE BOARD**

**Dr Colin Chan Kum Lok**  
**Chairman and CEO**

**17 October 2018**

**\*The term 'New Space' specifically is used to refer to a global sector of relatively new, distinctly commercially minded, satellite/aerospace companies and ventures working to independently (of governments and their prime or major contractors, i.e., Old Space) develop faster, better, and cheaper access to space, space and spaceflight technologies, and overall space missions.**

Some of the statements in this Announcement, particularly with regard to the Valuation, constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the

expectations expressed or implied in the forward-looking statements include known and unknown risks and factors such as general economic and business conditions, including the timing or delay in signing, commencement, implementation and performance of programs, or the delivery of products or services under them or the implementation of the improved airtime package by the satellite operators; structural change in the satellite industry; relationships with customers; competition; and the ability to attract personnel. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future and any negative impacts arising from these issues will affect the performance of the Group's businesses, undue reliance must not be placed on these statements