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## RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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The Board of Directors (the “**Board**”) of Addvalue Technologies Ltd (the “**Company**”) refer to the query the Company received from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 6 October 2020 in connection with its Annual Report for the financial year ended 31 March 2020 (“**FY2020**”), and append the Company’s corresponding response as follows:

### **SGX-ST’s Query**

We refer to page 33 of the FY2020 Annual Report. Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “**Code**”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.1(a) of the Code with regards to the disclosure of remuneration of each individual director and CEO, and there were no explanations were provided for in your FY2020 Annual Report on how the Company has been consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

### **The Company’s Response**

On page 33 of the Annual Report, it was mentioned therein, in connection with the Company’s explanation of its deviation from Provision 8.1(a) of the Code, that:

*“The Board considered the disclosure of Directors’ remuneration in bands of S\$250,000 as adequate due to reasons of industry competitiveness, confidentiality and sensitivity of remuneration matters. The two Executive Directors, who are non-substantial Shareholders of the Company, are employees of the Group like any of the other key management personnel who are not Directors and whose remuneration are disclosed in bands of S\$250,000. The Board is of view that they should not be disadvantaged, as comparable to the other key management personnel, just merely because they are Directors.”*

While the exact remuneration of the Directors was not given, the level and mix of remuneration of the Directors in percentage terms within remuneration bands of S\$250,000 were provided. The Company believes that such a disclosure, taking into account of the reasoning mentioned above, provides shareholders of the Company with an adequate appreciation of the remuneration packages of the Directors and is consistent with the intent of Principle 8 of the Code.

**BY ORDER OF THE BOARD**

Dr Colin Chan Kum Lok  
Chairman & CEO

7 October 2020