
ADDVALUE SEEKS TO REWARD SHAREHOLDERS WITH A MINIMUM 10% DISTRIBUTION-IN-SPECIE VIA THE PROPOSED SPIN-OFF AND LISTING OF ADDVALUE SOLUTIONS PTE LTD

Reference is made to the announcement made by Addvalue Technologies Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) on 8 May 2018 (the “**Previous Announcement**”) concerning the appointment of Hong Leong Finance Limited (“**HLF**”) as the Full Sponsor, Issue Manager and Placement Agent to carry out the preparation for the following:

1. The proposed spin-off by the Company (the “**Proposed Spin-Off**”) of its wholly-owned subsidiary, Addvalue Solutions Pte Ltd (“**AVS**”), which houses and undertakes all the business relating to the Inter-satellite Data Relay System (“**IDRS**”) including the IDRS airtime business, via a distribution in specie of a portion of the shares of AVS (“**AVS Shares**”) currently held by the Company (through another wholly-owned subsidiary) to the shareholders of the Company (“**Shareholders**”) (the “**Proposed Distribution-In-Specie**”) so as to reward Shareholders proportionately with free AVS shares; and
2. Immediately thereafter the Proposed Distribution-in-Specie, the follow-on listing and quotation of the AVS Shares (the “**Proposed AVS Listing**”) on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**” or the “**Exchange**”) (“**SGX-ST Catalist**”) (the “**Proposed Spin-Off and Listing**”).

Unless otherwise defined herein, all capitalized terms used in this announcement shall bear the same meanings as those ascribed in the Previous Announcement

Subsequent to the release of the Previous Announcement, the Company has received many enquiries from Shareholders and potential investors as to the possible extent of the Proposed Distribution-In-Specie. In response to which, the Board of Directors of the Company (the “**Board**”) hereby would like to clarify and update as follows:

1. To be worth the while in carrying out the Proposed Spin-Off and Listing, the Company is of the view that the Proposed Spin-Off and Listing will only be effected if the valuation of AVS for the Proposed AVS Listing is at least S\$70 million;
2. It is the intention of the Company to retain AVS as its associated company, if not a subsidiary, subsequent to the completion of the Proposed Spin-Off and Listing; and
3. Accordingly and subject to the prevailing capital market conditions nearing the time of the Proposed AVS Listing and the eventual valuation of AVS for the Proposed AVS Listing, the Distribution-In-Specie to be carried out prior to the Proposed AVS Listing is expected to be at least 10% of the Company’s existing shareholding in AVS.

CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY

While the Company and AVS are committing resources and time to look into the Proposed Spin-Off and to develop and expand the IDRS-related business of AVS, Shareholders are to note that there is no certainty or assurance that the Proposed Spin-Off will be concluded successfully or AVS will be able to achieve its current plans to develop and expand the IDRS-related business. In particular, there can be no assurance that the Company and AVS will meet

the conditions for the Proposed Spin-Off or meet the listing criteria for the listing and quotation of the AVS Shares on the SGX-ST Catalist.

The Company would like to highlight that the Proposed Spin-Off is dependent on, among others, the results of the preparatory work to be undertaken, the requisite approvals from the relevant regulatory authorities, approval of the Shareholders, the success of AVS to secure more contracts for the IDRS Business and the then prevailing market conditions. Even if all requisite approvals (regulatory or otherwise) have been obtained, the Board reserves the right not to proceed with the Proposed Spin-Off if, having regard to Shareholders' and investors' interests and response at the material time as well as other relevant factors, the Board regards it not to be in the interests of the Company or the Shareholders as a whole to proceed with the same.

Accordingly, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company and refrain from taking any action in relation to their securities which may be prejudicial to their interests. If in doubt about the actions that they should take, Shareholders and investors should consult their stockbrokers, bank managers, solicitors, accountants or any other professional advisers.

BY ORDER OF THE BOARD

Dr Colin Chan Kum Lok
Chairman and CEO

12 June 2018