
INVESTMENT AGREEMENT ENTERED INTO BETWEEN ADDVALUE TECHNOLOGIES LTD (THE "COMPANY") AND PYTHEAS (CYPRUS) LTD (THE "INVESTOR") IN CONNECTION WITH THE SUBSCRIPTION BY THE INVESTOR IN CASH FOR UP TO S\$94.60 MILLION FOR UP TO A 51.56% EQUITY INTEREST IN THE COMPANY

The Investment Agreement

Reference is made to the announcement made by the Company on 18 February 2008 in relation to the term sheet entered into between the Company and Pytheas Ltd on 11 February 2008, whereby Pytheas Ltd has proposed to subscribe or procure the subscription in cash for up to 860,000,000 new ordinary shares in the capital of the Company (the "**Shares**").

The Board of Directors of the Company (the "**Board**") is pleased to announce that Pytheas Ltd, through its parent company, Pytheas (Holding) Ltd, has since procured its affiliate, the Investor, to enter into a conditional investment agreement on 29 September 2008 (the "**Investment Agreement**") to subscribe in cash for up to 860,000,000 new Shares in the Company on and subject to the terms and conditions set out in the Investment Agreement.

Under the terms and conditions of the Investment Agreement, the subscription for the 860,000,000 new Shares by the Investor shall be carried out in 2 phases as follows:-

- (a) 345,000,000 new Shares (the "**Initial Investment Shares**" and each, an "**Initial Investment Share**") to be initially subscribed by the Investor in cash at S\$0.11 for each Initial Investment Share (the "**Initial Investment Share Price**") immediately upon the fulfilment of all conditions precedent (including the key conditions highlighted below) (the "**Initial Investment**"). The cash consideration payable by the Investor on completion of the Initial Investment (the "**Completion**") is **S\$37.95 million** (the "**Initial Investment Consideration**"); and
- (b) the balance of 515,000,000 new Shares (the "**Subsequent Investment Shares**" and each, a "**Subsequent Investment Share**") to be subsequently subscribed by the Investor upon the exercise of either of the following options (the "**Subsequent Investment**"):-
 - (i) a call option granted by the Company to the Investor pursuant to which the Investor shall have the right to subscribe for the Subsequent Investment Shares in cash at S\$0.11 for each Subsequent Investment Share (the "**Call Option Exercise Price**") at any time within 12 months from the date of Completion (the "**Call Option**"); or

- (ii) a put option granted by the Investor to the Company pursuant to which the Company shall have the right to require the Investor to subscribe for the Subsequent Investment Shares in cash at S\$0.11 for each Subsequent Investment Share (the "**Put Option Exercise Price**") at any time within 12 months from the date of Completion (the "**Put Option**").

The Call Option or the Put Option may be exercised in full or, if legally permitted, in parts by the Investor or the Company respectively, and, if exercised in full, will result in an additional cash consideration of **S\$56.65 million** being payable by the Investor to the Company (the "**Subsequent Investment Consideration**"). Together with the Initial Investment Consideration, the Company will receive a combined cash consideration of **S\$94.60 million** (the "**Combined Cash Consideration**").

The Initial Investment is conditional upon, among others:-

- (a) receipt of a whitewash waiver (the "**Whitewash Waiver**"), if necessary, from the Securities Industry Council in exempting the obligation to make a mandatory general offer for all Shares in the capital of the Company not held by the Investor, in accordance with the rules of The Singapore Code on Take-overs and Mergers as a result of the Investor subscribing for the Initial Investment Shares and the Subsequent Investment Shares;
- (b) receipt of approval from independent shareholders for the Whitewash Waiver, if necessary, and in connection therewith, the obtaining of an opinion from an independent financial adviser on the Whitewash Waiver for the benefit of independent shareholders;
- (c) receipt of approval in-principle from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Initial Investment Shares and the Subsequent Investment Shares on the Official List of the SGX-ST;
- (d) satisfactory due diligence by the Investor and the Company on each other; and
- (e) remittance by the Investor of a sum equivalent to S\$10 million to an escrow account of the Company within 21 days from the signing of the Investment Agreement. The S\$10 million escrowed money will be released to the Company as an interim interest-free loan upon satisfactory due diligence being conducted by the Investor and the Company, which is targeted to be completed on or before 30 September 2008. Upon Completion, the interim interest-free loan will be counted towards as part of the Initial Investment Consideration from the Investor.

The Investor may assign or transfer all or part of its rights or obligations under the Investment Agreement only with the prior written consent of the Company.

Each of the Initial Investment Price, the Call Option Exercise Price and the Put Option Share Price of S\$0.11 per Share represents a premium of 37.5% over the closing share price of S\$0.08 per Share of the Company immediately prior to the date of signing the Investment Agreement.

The Initial Investment Shares, upon allotment and issuance, will represent approximately 29.92% of the total issued share capital of the Company on an enlarged and fully diluted basis as at the date of Completion (excluding all the prevailing 17,580,000 outstanding options issued pursuant to the Company's Employee Share Option Scheme which are capable of being exercised into the same equivalent number of Shares (the "**Outstanding Employee Share Options**")).

The Initial Investment Shares and the Subsequent Investment Shares, if allotted and issued following an exercise in full of the Call Option or the Put Option, will collectively represent approximately 51.56% of the total issued share capital of the Company on an enlarged and fully diluted basis (excluding all the Outstanding Employee Share Options).

Pursuant to the Investment Agreement, the Investor is entitled to appoint such number of additional directors to the Board in proportion to its equity shareholding in the Company prevailing from time to time. Dr Harris A. Samaras, the controlling shareholder of the Investor, will be one of the 2 directors expected to be appointed by the Investor to the Board upon Completion to help contribute to the growth of the Company and its subsidiaries (the "**Group**").

Recognizing the immense growth potentials in the global satellite industry over the medium to long-term and given that the Group is one of the only 3 authorized portable Inmarsat BGAN terminal suppliers globally, the Investor aims to use the Company as a platform to expand further into the satellite industry to enhance its business forte in the emerging markets.

The Initial Investment cum the Subsequent Investment is akin more to an alliance of interests than a takeover (even if they result in a 51% change in the shareholding of the Company), as they are not expected to cause any significant change in the management or the business of the Group.

Shareholders should note that as the Initial Investment and the Subsequent Investment are subject to all conditions precedent being fulfilled, there is no assurance that the Initial Investment will be completed or, if completed, the Subsequent Investment Shares will be subscribed in full. Accordingly, Shareholders are advised to exercise caution in their dealings in the securities of the Company and to seek their own financial and legal advice when appropriate.

The Investor

Pytheas (Cyprus) Ltd is a company incorporated in the Republic of Cyprus since 2005. It is 99%-owned by Dr Harris A. Samaras and 1%-owned by Pytheas (Holding) Limited, a company incorporated in Luxembourg.

Engaged in the business of investment management, Pytheas (Holding) Limited, together with its affiliates (collectively, the "**Pytheas Conglomerate**"), is a premier international investment management organization focusing on emerging markets and economies-in-transition. It also has regional offices in New York, London, Nicosia and Dubai. The Pytheas Conglomerate owns shares in more than 130 entities, encompassing a vast and diverse array of industries such as banking, insurance, real estate, hospitality, energy, petrochemical, environment, agriculture and fishery. Other

than managing its own funds, the Pytheas Conglomerate also manages an investment portfolio of about US\$1.7 billion.

Pytheas (Holding) Limited, the parent company of the Pytheas Conglomerate, is 54%-owned by Dr Harris A. Samaras.

Rationale for the Initial Investment and the Subsequent Investment

The rationale to the Group for the Initial Investment and the Subsequent Investment are:-

- (a) The substantial improvement in the capitalization and fortification of the balance sheet of the Group;
- (b) The addition of Pytheas (Cyprus) Ltd as a strategic major investor and an anchor shareholder of the Company shall strengthen and unify the currently fragmented shareholder base of the Company;
- (c) The enhancement of the Group's positioning as a significant player in the global satellite communication industry as the enlarged capital base provides the ability for (i) strengthening its organizational structure, (ii) widening its product range and services; and (iii) establishing points of sale worldwide and enhancing the existing ones;
- (d) The utilization of the Investor's wider global reach, in particular, its strong presence in the fast growing markets of the Middle East, Central and Eastern Europe and South America as well as its recent foray into the African continent; and
- (e) The ability now of the Group to expand not only organically but also through mergers and acquisitions.

Further announcements will be made by the Company as and when appropriate.

None of the Directors of the Company has any interest, direct or indirect, in the Initial Investment or the Subsequent Investment. The Directors are not aware of any substantial shareholder having any interest, direct or indirect, in the Initial Investment or the Subsequent Investment and have not received any notification of any interest in this transaction from any substantial shareholder.

For and behalf of the Board

Dr Chan Kum Lok Colin
Chairman and CEO
Submitted to SGX-ST on 3 November 2008