
APPOINTMENT OF HONG LEONG FINANCE AS THE FULL SPONSOR, ISSUE MANAGER AND PLACEMENT AGENT FOR THE PROPOSED SPIN-OFF AND LISTING OF ADDVALUE SOLUTIONS PTE LTD ON THE CATALIST BOARD OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The Board of Directors of Addvalue Technologies Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) (the “**Board**”) refers to the announcement made by the Company on 28 November 2017 (the “**Previous Announcement**”).

The Proposed Spin-Off and Listing (via a Proposed Distribution-in-Specie)

As alluded in the Previous Announcement, the Company seeks:

1. to spin-off (the “**Proposed Spin-Off**”) 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 to follow by a 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**”).

In this regard, the Company has made an application to the SGX-ST and based on the Company’s submissions and representations made, the Exchange has informed the Company that it does not regard the Proposed Spin-Off and Listing on the SGX-ST Catalist as a chain listing pursuant to Rule 210(6) of the SGX-ST Listing Manual. The Exchange’s aforesaid ruling is subject to, among others, that the Company complied with the Exchange’s listing rules.

The appointment of Hong Leong Finance Limited as the Full Sponsor

Subsequent to the aforesaid pre-clearance procured from the Exchange, the Board is pleased to announce that it has appointed Hong Leong Finance Limited (“**HLF**”) as the Full Sponsor, Issue Manager and Placement Agent to carry out the preparation for the Proposed Spin-Off and Listing.

Progress on the IDRS Business

With regard to the progress on the IDRS business of the Group, the Board wishes to update Shareholders as follows:

1. On 10 August 2017, the Group entered into an IDRS airtime distribution agreement with Inmarsat. Since then, AVS has been approached by many prominent market players in the LEO satellite industry for possible business dealings and collaborations. The Group is now at various stages of active discussions with many of these potential customers on the possible adoption of the IDRS services for their respective space missions.
2. On 10 April 2018, the Group entered into an agreement with a US-based aerospace company to carry out a feasibility study for the adoption of IDRS in the latter’s upcoming space mission for

commercial purposes (the “**Feasibility Study**”). Apart from ushering in a new application of IDRS beyond the LEO satellite application (and hence according a new window of business opportunity to the Group), the success of the Feasibility Study is expected to result in a significant supply of IDRS terminals for deployment on such space missions.

3. On 24 April 2018, the Group inked its first major commercial IDRS contract with a premier global satellite service provider (the “**Customer**”) for the customized design and supply of extra high value IDRS terminals to be installed progressively on the Customer’s multi-LEO satellite constellation slated to commence commercial activities in 2019. The Group is now at a very advanced stage of finalizing an airtime agreement with the Customer for the provision of real-time on-demand IDRS communication services to the clients of the Customer.

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

8 May 2018