
RESPONSE TO THE BUSINESS TIMES ARTICLE ENTITLED “ADDVALUE DEAL: DO THE VALUES ADD UP?” DATED 27 MARCH 2014

The Board of Directors (the “**Board**”) of Addvalue Technologies Ltd (the “**Company**”) refers to the article (the “**Article**”) published in the Business Times on 27 March 2014 entitled “*Addvalue Deal: Do the values add up?*”, which was published in relation to the announcement released by the Company on 25 March 2014 (the “**Announcement**”) in connection with the proposed disposal by the Company of 100% of the ordinary share capital of its wholly-owned subsidiary, Addvalue Communications Pte Ltd (“**AVC**”) for a cash consideration of S\$330,000,000 (the “**Disposal**”).

Capitalized terms not otherwise defined in this announcement shall bear the same meaning given to them in the Announcement.

The Company wishes to highlight the following in relation to the Article:

1. The Group is currently:
 - one of the only two authorized global developers-cum-suppliers for both land and maritime Inmarsat Broadband Global Area Network (BGAN) satellite terminals, and the only one residing in Asia. The other authorized player was acquired for about £275 million in 2012 and is now part of a much bigger group with a current market capitalization in excess of £3 billion; and
 - one of the only two authorized global developer-cum-supplier for the Thuraya-centric maritime satellite terminal, and the only one residing in Asia. The other authorized player was also acquired in 2011 for about US\$1.3 billion and is now part of a much bigger group with a current market capitalization in excess of US\$4 billion.

The Company thus believes that the Group’s technology is attractive to players who are interested in expanding into the field of high-end sophisticated digital broadband satellite communications. In respect of the Disposal Consideration of S\$330,000,000, which took into account, amongst others, the net asset value of AVC (as distinct from basing solely on the net asset value of AVC as suggested in the Article), the Company has had numerous rounds of discussions and negotiations with the Buyer. As far as the Company is aware based on the interaction with the Buyer and its representatives, the Buyer is *bona fide* and the Disposal Consideration was arrived at following arm’s length negotiations.

2. As stated in the Announcement, the Disposal Completion is **subject to** several conditions, including the obtainment of the approval of the FECB and the approval of Shareholders at an EGM to be convened. As there is no assurance that such conditions will be fulfilled (including whether the requisite approvals of the governmental authorities can be obtained), the Company would like to reiterate that Shareholders should exercise caution when dealing in the securities of the Company. Additional details on the conditions of the Disposal Completion will be provided in the circular to Shareholders in connection with the EGM (the “**Circular**”).
3. As also stated in the Announcement, the commission of S\$15,000,000 is only payable **on a success basis** to the broker who brokered the Disposal. The Company is subject to certain confidentiality obligations as to the disclosure of the broker’s identity at this point of time. To the extent that the Company is able to obtain the consent of the broker to disclose his/her identity, such additional details will be provided in the Circular. Nevertheless, the Company would like to reiterate that the broker is unrelated to the Directors as well as, to the best knowledge of the Board, the substantial shareholders of the Company.

4. As also stated in the Announcement, the S&P Agreement contains provisions that entitle each of the Company and the Buyer to terminate the S&P Agreement by notice under certain circumstances (including but not limited to a breach by the other party of any representation or warranty and the commission of any act that results in the inability of the Company to transfer the AVC Shares to the Buyer or the non-completion of the Disposal). As further stated in the Announcement, where the S&P Agreement is terminated on the basis of a breach or default on the part of the Company, generally, the Buyer may, in addition to other rights, be entitled to a full refund of all monies paid in respect of the Disposal (including the Initial Deposit) and in a case where the S&P Agreement is terminated for a breach or default on the part of the Buyer, the Company may be entitled to retain the Initial Deposit for its own account. Additional details on the terms and conditions of the S&P Agreement will also be disclosed in the Circular.
5. The Company will be convening the EGM to, among others, seek Shareholders' approval for the Disposal. As such, further details on the Disposal will be provided in the Circular. The Company currently intends to convene the EGM as soon as practicable upon receipt of the Initial Deposit.

Further announcements on this matter will be made in due course to provide Shareholders with an update on the Disposal as and when appropriate. In the meantime, **Shareholders 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. Shareholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

BY ORDER OF THE BOARD

Dr Chan Kum Lok Colin
Chairman and CEO

27 March 2014