

ADDVALUE TECHNOLOGIES LTD

Registration Number: 199603037H

DIVESTMENT OF ADDVALUE TECHNOLOGIES (GUANGZHOU) LTD

The Board of Directors of Addvalue Technologies Ltd (the “Company”) wishes to announce that the Company has entered into a sale and purchase agreement with Mr. Yang Xiao Ning (the “Purchaser” or “Mr. Yang”) to sell its 51% shareholding interest in its wholly owned subsidiary, Addvalue Technologies (Guangzhou) Ltd (“AVGZ”), to the Purchaser for a cash consideration of S\$1.00 (the “Consideration”).

Originally, AVGZ was established to provide technical and marketing support for consumer products and services. The divestment is in line with the continued effort of the Company and its subsidiaries (the “Group”) to streamline its operations in focusing on satellite communications, tracking and telemetry, and digital wireless solutions. As Mr. Yang, who is the General Manager of AVGZ since incorporation, has expressed keen interest to manage and grow the business of AVGZ, the Company decides to divest the 51% shareholding interest in AVGZ to him.

The Consideration was arrived at on a willing-buyer and willing-seller basis, after taking into account of its loss making position since incorporation with an estimated net tangible liabilities of approximately S\$546,000. Accordingly, there is no negative impact on the net tangible assets or earnings per shares of the Group for the current financial year ending 31 March 2007.

Save for the interests of the directors and controlling shareholders of the Company in the divestment by virtue of their directorships and/or shareholdings in AVGZ and the Company (as the case maybe), none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the divestment.

BY ORDER OF THE BOARD

Submitted by: Dr Colin Chan Kum Lok
Chairman and CEO

Dated : 30 March 2007