

## NEWS RELEASE



### ADDVALUE TECHNOLOGIES LTD

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## ADDVALUE INKED NEW DEAL TO SUPPLY SATELLITE COMMUNICATIONS EQUIPMENT TO CHINA SMALL FISHING FLEET MARKET THROUGH COLLABORATION WITH ZHONGYOU CENTURY (BEIJING) TECHNOLOGY CO LTD, A SUBSIDIARY OF CHINA NATIONAL POSTAL AND TELECOMMUNICATIONS APPLIANCE CORP

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**Singapore, 18 June 2018** – Singapore Exchange Mainboard-listed Addvalue Technologies Ltd (“**Addvalue**”, together with its subsidiaries, the “**Group**”), a leading player in the mobile satellite communications industry, today announced that, its wholly-owned subsidiary, Addvalue Innovation Pte Ltd (“**AVI**”), has entered into a new distribution contract with 中邮世纪(北京) Zhongyou Century (Beijing) Technology Co Ltd (“**Zhongyou**”) to supply satellite communication terminals for small fishing fleets operating in the China regional seas (the “**New Contract**”). The total contract value pursuant to the New Contract is worth at least US\$1 million, if the supply of terminals under the New Contract were to be fully delivered within the financial year ending 31 March 2019.

The New Contract supersedes the 3-year collaboration agreement which AVI entered into with Zhongyou in April 2016 to supply at least 5,000 units of satellite communications terminals. While much was accomplished (including but not limited to the supply of 5,000 units of satellite terminals) under the collaboration agreement in early 2017, the supply momentum was interrupted since then due to stiff competitions from the China indigenous suppliers, particularly from the very aggressive sales tactics deployed by those suppliers offering very low airtime rates bundled with subsidised Ku band terminals (or the “Very Small Aperture Terminals” or “VSAT” as they are commonly known as). However, in a recent closed door fishing fleet communication review session organised by China Telecom, Zhongyou’s airtime service partner, the fishing fleet communities have found both the

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coverage footprints of the China VSAT services and the quality of the Ku band terminals inadequate for their needs. Instead, they unanimously acknowledged that Addvalue satellite terminals are the most reliable and cost effective products.

**Mr Xiao Jian Shen, Vice President of Zhongyou** remarked: “The feedbacks from the resellers show that the threats from the VSAT industry to be of a much lesser impact to the small fishing fleet market. As such, we expect the deployment of Addvalue satellite terminals to pick up pace towards the end of this year.”

“More importantly, Addvalue’s local support in China is highly efficient and proactive in meeting the resellers’ support needs. This also proves to be a crucial factor in winning their huge vote of confidence in Addvalue’s products and services,” **Mr Xiao added.**

**Dr Colin Chan, CEO of Addvalue commented:** “We are keenly aware of the immense commercial opportunities as well as the very competitive business environment in China. As such, we always leverage our unique strengths to forge strong partnerships in order to stay ahead of the competition. We are honoured to have a trusted partner in Zhongyou, and we are very pleased that our products and services can hold the ground well against such intense competition in China.”

“Indeed, we will quicken our steps to upgrade our terminals, lower the cost of our products and operations through closer partnership with China parties like Zhongyou,” **Dr Chan further elaborated.**

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**About Zhongyou (<http://www.170139.com.cn>)**

*Zhongyou, founded in December 2006, is a subsidiary of China National Postal and Telecommunications Appliances Corp 中国邮电器材集团公. Equipped with a unified and independent mobile communication service platform covering the entire nation, it is also the only mobile virtual network operator in China co-owned by government linked enterprises and donned with private business management expertise and experience. Zhongyou's principal business activities relate to the provision of mobile communication and telecommunication value-added services, the supply of Internet communication products, customization of communication terminal products and as sales agents. Effecting from 1 January 2015, Zhongyou officially launched a mobile communication resale business brand, "PUTAI Mobile (普泰移动)", in its co-provision of mobile communication services with China Mobile.*

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**About China National Postal and Telecommunications Alliance Corp (<http://www.ptac.com.cn>)**

*China National Postal and Telecommunications Alliance Corp, a wholly-owned subsidiary of China General Technology (Group) Holding Co Ltd 中国通用技术(集团)控股有限责任公司(a centrally administered state enterprise of strategic importance (中央直接管理的国有重要骨干企业)), is one of the largest sellers of telecommunication electronic terminal products in China and, having attained top sales volumes for ten consecutive years, commands a market share of more than 20% in China. Boasting complete sales channels for telecommunication electronic products domestically, its mobile phone retail and maintenance services are presently available at 696 retail booths (511 of which are joint business halls partnered with the operators concerned) while its after-sales service network currently covers 16 provinces, autonomous regions and municipalities. In addition, it owns two repair and maintenance factories and 241 repair and maintenance offices. Holding the highest grade of repair and maintenance certificate issued by well-known mobile phone manufacturers, including Nokia, Motorola and Sony Ericsson, it also holds the "Certificate for non-state training institutes for professional skills in the telecommunication industry". Its repair and maintenance factories have been designated by the state (Ministry of Industry and Information) telecommunication industry professional skill assessment and consultancy center as hands-on training bases for the impartation of mobile phone repair and maintenance skills.*

**About Addvalue Technologies Ltd. ([www.addvaluetech.com](http://www.addvaluetech.com))**

*Addvalue Technologies Ltd (A31) a SGX Mainboard-listed company, is a leading one-stop digital, wireless and broadband communications technology products innovator, which provides state-of-the-art satellite-based communication terminals and solutions for a variety of voice and IP based data applications.*

*Addvalue is presently a leading global developer and supplier of mobile satellite terminals supporting coverage provided by premier mobile satellite communication system operators. These terminals are an ideal choice for communications in areas around the world where terrestrial networks are non-existent, or ineffective. This is particularly so for maritime communications, which rely almost entirely on satellite communications, where Addvalue's marine communications terminals are well suited.*

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