

Valoe Corporation

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VALOE SOLD ITS CHINESE SUBSIDIARY AND RELATED LIABILITIES TO SAVCOR TEMPO OY

Valoe Corporation has concluded its negotiations with a Savisalo family related company for selling Valoe's subsidiary in Beijing, China. In the arrangement Valoe sold 100 percent of the shares in Savcor Pacific Ltd, a Hong Kong subsidiary of Valoe, to Savcor Tempo Oy. Savcor Pacific owns 100 percent of the shares in the Chinese subsidiary, Savcor Face (Beijing) Co., Ltd. Both companies as well as the debts and liabilities related to their operations were transferred to Savcor Tempo Oy. Valoe pays Savcor Tempo Oy a total of EUR 0.3 million by the end June 2017 for taking over the debts and liabilities of the Chinese subsidiary. An annual interest rate of 12 percent will be paid on the debt.

Only a guarantee on lease liability given by Valoe on behalf of the Chinese factory was excluded from the transaction. The guarantee amounts to EUR 0.65 million at the most if realized. A provision equivalent to the guarantee was booked in Valoe's Financial Statements for 2014 where it has been recognized as an additional expense and the mother company's liability as announced earlier. Valoe has contested the guarantee.

Valoe has written down the value of the shares of its subsidiary, Savcor Pacific Ltd, in the Financial Statements for 2014.

Valoe estimates that the aforesaid arrangement improves its consolidated result by ca. EUR 7 million. The aforementioned figures are at this point only estimations. Valoe will report the final result of the arrangement in its Interim Report for the second quarter that will be released on 3 August 2016.

In Mikkeli 10 May 2016

Valoe Corporation

Board of Directors

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Valoe Corporation specializes in the clean energy, especially in photovoltaic solutions. Valoe provides automated production technology for solar modules based on the company's own technology; production lines for modules; solar modules and special components for solar modules. Valoe's head office is located in Mikkeli, Finland.