
PLACEMENT OF 2,340,000,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.0127 PER SHARE TO PT. TRON ASIA PASIFIK

1 INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Addvalue Technologies Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has on 18 November 2021 entered into a subscription agreement (together with a supplemental letter agreement to clarify the date of completion, the “**Subscription Agreement**”) for the issue and allotment of 2,340,000,000 new ordinary shares (the “**Subscription Shares**”) in the capital of the Company (“**Shares**”) at an issue price of S\$0.0127 per Subscription Share (the “**Issue Price**”) with PT. Tron Asia Pasifik (the “**Subscriber**”).

2 THE SUBSCRIPTION SHARES

2.1 Issue and Allotment of the Subscription Shares

Subject to the terms and conditions of the Subscription Agreement, the Company agrees to allot and issue to the Subscriber, and the Subscriber agrees to subscribe for, 2,340,000,000 Subscription Shares at the Issue Price for an aggregate consideration of S\$29,718,000 payable in cash (the “**Consideration**”) (the “**Subscription**”). Upon Completion (as defined below), the Subscriber will become a controlling Shareholder of the Company. The Company will be seeking the approval of the shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting (“**EGM**”) of the Company to be convened for, among others, the authority for the Board to issue the Subscription Shares pursuant to Section 161 of the Companies Act, Cap. 50, Singapore and the transfer of controlling interest as required by Rule 803 of the Mainboard Rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST Listing Rules**”).

| Number of Subscription Shares | Subscription Shares as % of the Existing Share Capital ⁽¹⁾ | Subscription Shares as % of the Enlarged Share Capital ⁽²⁾ | Total Shareholding as a % of Enlarged Share Capital ⁽²⁾ |
|-------------------------------|---|---|--|
| 2,340,000,000 | 104.05 | 50.99 | 50.99 |

Notes:

- (1) Based on the existing issued and paid-up share capital of the Company as of the date of this announcement comprising 2,248,811,975 Shares (the **"Existing Share Capital"**).
- (2) Based on the enlarged issued and paid-up share capital of the Company following the issue and allotment of the 2,340,000,000 Subscription Shares comprising 4,588,811,975 Shares (the **"Enlarged Share Capital"**).

2.2 The Issue Price

The Issue Price represents a discount of approximately 2.31% to the weighted average price ("**VWAP**") for trades done on the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**) for the full market day on which the Subscription Agreement was signed. The VWAP is S\$0.013 per Share.

2.3 Nature of the Subscription Shares

The Subscription Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to existing Share(s) except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the Completion Date (as defined below).

2.4 Authority to Issue the Subscription Shares

The Subscription Shares are intended to be issued and allotted pursuant to the approval of Shareholders to be obtained at an EGM of the Company to be convened.

2.5 Conditions Precedent

Completion of the Subscription shall be condition upon, *inter alia*, the following:

- (a) approval in-principle for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not revoked or amended and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscriber;
- (b) approval from the Securities Industry Council for a whitewash waiver to be granted to the Subscriber from having to make a general offer under Rule 14 of the Singapore Code on Takeovers and Mergers as a result of the Subscription (the **"SIC Waiver"**);

- (c) the issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company;
- (d) the requisite approval of Shareholders being obtained for the issuance of the Subscription Shares at an EGM of the Company to be convened including the whitewash resolution that is required to be passed by the Shareholders for a dispensation on the part of the Subscriber having to make a general offer under Rule 14 of the Singapore Code on Takeovers and Mergers; and
- (e) there having been, as at the Completion Date (as defined below), no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the warranties contained in the Subscription Agreement if they were repeated on and as of the Completion Date.

The Subscriber may, and upon such terms as it thinks fit, waive (wholly or partially) compliance with any of the conditions set forth in paragraph 2.5(b), (d) and (e) and any condition so waived shall be deemed to have been satisfied.

If any of the conditions set forth above is or are not satisfied within nine (9) months from the date of the Subscription Agreement, or such other date as the Subscriber and the Company may agree, the obligations of the Company to issue the Subscription Shares shall *ipso facto* cease and determine thereafter and neither the Subscriber nor the Company shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the Subscription (except for the liability of the Company for the payment of expenses provided in the Subscription Agreement).

2.6 **The Loan**

- 2.6.1 Subject to the Subscriber's satisfactory due diligence (which must be completed by 25 November 2021), the Subscriber shall within three (3) calendar days from the date thereof remit S\$5,016,500 (which will be treated as an interest-free loan pending Completion (as defined below)) (the "**Loan**") to the Company's bank account unless extended with mutual consent. For the avoidance of doubt, the Subscriber's due diligence shall be deemed to be completed to the full satisfaction of the Subscriber upon disbursement of the Loan. The Loan is extended to the Company to enable the Company to meet its immediate working capital requirements.

2.6.2 Where all or part of the Loan remains outstanding and not repaid to the Subscriber, the amount of outstanding Loan shall form part of the Consideration on Completion (as defined below) and the amount to be remitted as the Consideration shall be less such amount of outstanding Loan.

2.6.3 If any of the conditions set forth in paragraph 2.5 of this announcement is or are not satisfied within nine (9) months from the date of the Subscription Agreement, the Company shall allot and issue to the Subscriber 395,000,000 new Shares ("**New Subscription Shares**") at the Issue Price, and the Subscriber agrees to subscribe and pay for the aforesaid New Subscription Shares at the consideration amounting in aggregate to S\$5,016,500 and at same commercial terms under the Subscription Agreement for an enlarged shareholding of 14.94% of the Company, save that the authority to issue the New Subscription Shares by the Company shall be based on the General Share Issue Mandate (as defined below) instead. The Loan shall accordingly be deemed as repaid via an offset against payment to be made by the Subscriber for the New Subscription Shares to the Company.

| Number of New Subscription Shares | New Subscription Shares as % of the Existing Share Capital ⁽¹⁾ | New Subscription Shares as % of the New Subscription Shares Enlarged Share Capital ⁽²⁾ | Total Shareholding as a % of the New Subscription Shares Enlarged Share Capital ⁽²⁾ |
|-----------------------------------|---|---|--|
| 395,000,000 | 17.56 | 14.94 | 14.94 |

Notes:

(1) Based on the Existing Share Capital of the Company as of the date of this announcement comprising 2,248,811,975 Shares.

(2) Based on the enlarged issued and paid-up share capital of the Company following the issue and allotment of the 395,000,000 New Subscription Shares comprising 2,643,811,975 Shares (the "**New Subscription Shares Enlarged Share Capital**").

2.6.4 The Company had, at the annual general meeting of the Company held on 29 September 2021 (the "**2021 AGM**"), resolved that, pursuant to Section 161 of the Companies Act and the Listing Manual, the Directors be authorised to:

- (a) (i) issue Shares in the capital of the Company whether by way of rights, bonus or otherwise;

- (ii) make or grant offers, agreements or options that might or would require Shares to be issued or other transferable rights to subscribe for or purchase Shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares;
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalization issues; and
- (b) notwithstanding the authority conferred by the Shareholders may have ceased to be in force, issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that:
- (i) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to the resolution) does not exceed 100% of the Company's total number of issued Shares excluding treasury shares, of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to the resolution) (the 100% limit is permitted under the Enhanced Share Issue Limit permitted by the Singapore Exchange Regulation to support Mainboard issuers during COVID-19 as compared to 50% previously) to be issued other than on a pro rata basis to Shareholders does not exceed 20% of the total number of issued Shares excluding treasury shares of the Company, and for the purpose of the resolution, the total number of issued Shares excluding treasury shares shall be the Company's total number of issued Shares excluding treasury shares at the time the resolution is passed, after adjusting for:
 - (I) new Shares arising from the conversion or exercise of convertible securities, or
 - (II) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (III) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next

annual general meeting of the Company is required by law to be held, whichever is the earlier.

- (ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier,

(the “**General Share Issue Mandate**”).

2.6.5 As at the date of the 2021 AGM, the total number of issued Shares (excluding treasury shares and subsidiary holdings) was 2,248,811,975. Accordingly, the total number of Shares that may be issued pursuant to the General Share Issue Mandate is 2,248,811,975 Shares, of which the maximum number of Shares that can be issued on a pro rata basis is 2,248,811,975 Shares and the maximum number of Shares that can be issued other than on a pro rata basis is 449,762,395 Shares. As at the date of this announcement, no Shares have been issued pursuant to the General Share Issue Mandate. As such, the 395,000,000 New Subscription Shares that may be issued pursuant to the Loan under the Subscription Agreement fall within the limits of the General Share Issue Mandate.

2.7 **Completion**

The completion of the Subscription (“**Completion**”) shall take place on the date falling three (3) clear market days after the date on which all the conditions set out in the Subscription Agreement are satisfied or otherwise waived in writing by the relevant parties thereto, which shall not in any case exceed the period of three (3) months from the Unconditional Date or nine (9) months from the date hereof, whichever is earlier, unless specifically agreed in writing between the parties (the “**Completion Date**”).

2.8 **No Underwriter or Placement Agent**

The Subscription is not underwritten and no placement agent has been appointed for the Subscription.

The Subscriber was introduced to the Company by Cap 1 Financial Pte Ltd (the “**Introducer**”). The Introducer has confirmed in writing to the Company that it is a capital markets services licence holder regulated by the Monetary Authority of Singapore. The Company had engaged the Introducer to source for potential investors who had an interest in investing in the Company. An introducer fee of 5% of the gross proceeds received by the Company (i.e. (a) in the event the Subscription Shares are

issued and allotted, 5% of S\$29,718,000; or (b) in the event the New Subscription Shares are issued and allotted, 5% of S\$5,016,500) is payable by the Company to the Introducer on a success basis. For the avoidance of doubt, to the Company's best knowledge, no part of the commission will be shared with the Subscriber. The Introducer has no connection (including business relationships) with the Company, its Directors and its substantial Shareholders.

2.9 **Private Placement**

There will not be any prospectus or offer information statement issued in connection with the issue of the Subscription Shares and/or the New Subscription Shares (as the case may be) as the foregoing will be undertaken pursuant to the exemption under Section 272B of the Securities and Futures Act (Cap. 289) of Singapore.

2.10 **Additional Listing Application**

The Company will be making an application to the SGX-ST for the listing and quotation of the Subscription Shares and/or the New Subscription Shares (as the case may be) on the Mainboard. The Company will make the necessary announcements once the approval-in-principle for the Subscription Shares and/or the New Subscription Shares (as the case may be) has been obtained from the SGX-ST.

2.11 **SIC Waiver Application**

The Company will be making an application to the Securities Industry Council for the SIC Waiver. The Company will make the necessary announcements once the SIC Waiver has been obtained from the Securities Industry Council.

3 INFORMATION ON THE SUBSCRIBER

3.1 The Subscriber is an investment holding company incorporated in the Republic of Indonesia on 20 July 2018. It is owned by the Rangkuti family of Indonesia, which also owns a slew of businesses for more than three (3) decades in Indonesia that include telecommunication, property, transportation, renewable energy and education.

3.2 The Subscriber's rationale for subscribing for the Subscription Shares is because the businesses, business model and strategy of the Group are synergistic with its businesses and investment strategies. Through the Subscription, the Subscriber seeks to leverage the Group's expertise and knowhow in satcom-based digital connectivity technologies to further enhance its provision of telecommunication services and to reap more business opportunities in Indonesia with the following focuses:

- (a) Bridging the digital gap in the rural areas through projects such as remote ATM banking and rural education;
 - (b) Environmental sustainability programs such as vessel monitoring solutions for fisheries, remote sensing for forestry and water resource management;
 - (c) Disaster early warning systems such as earthquake, flash floods, and tsunamis; and
 - (d) Enterprises and government communication solutions for mission-critical communication or 5G Non-Terrestrial Network connectivity via local partners and governmental agencies.
- 3.3 Based on the confirmation received from the Subscriber and to the best of the Company's knowledge, the Subscriber (or its directors or substantial shareholders) does not have any connections (including business relationships) with the Company, its Directors and its substantial Shareholders.
- 3.4 The Subscriber has confirmed that it is not a person falling within the categories of persons listed in Rule 812 of the Listing Manual of the SGX-ST. It should be noted, however, that on Completion, the Subscriber will become a substantial and controlling Shareholder.
- 3.5 The Subscriber has confirmed that it will not hold the Subscription Shares and/or the New Subscription Shares (as the case may be) in trust or as nominee for other persons.

4 FINANCIAL EFFECTS

The financial effects of the issue of the Subscription Shares on the Group are prepared based on the latest audited financial statements of the Group (i.e. the audited financial statements for the financial year ended 31 March 2021).

4.1 Earnings per Share ("EPS")

Assuming: (a) the issue of the Subscription Shares; or (b) the issue of the New Subscription Shares, had been completed on 1 April 2020, the effect on the Group's EPS for the financial year ended 31 March 2021 would have been as follows:

| | As at the date of this announcement | After the issue of the Subscription Shares | After the issue of the New Subscription Shares |
|--|-------------------------------------|--|--|
| (Loss) After Taxation and Non-Controlling Interests (US\$'000) | (6,175) | (6,175) | (6,175) |
| Weighted Average Number of Shares | 2,248,811,975 | 4,588,811,975 | 2,643,811,975 |
| EPS (US cents) | (0.27) | (0.13) | (0.23) |

4.2 Net Tangible Assets ("NTA")⁽¹⁾

Assuming: (a) the issue of the Subscription Shares; or (b) the issue of the New Subscription Shares, had been completed on 31 March 2021, the effect on the Group's EPS for the financial year ended 31 March 2021 would have been as follows:

| | As at the date of this announcement | After the issue of the Subscription Shares | After the issue of the New Subscription Shares |
|--|-------------------------------------|--|--|
| NTA ⁽¹⁾ attributable to the Shareholders (US\$'000) | (1,779) | 18,580 | 1,658 |
| Number of Shares | 2,248,811,975 | 4,588,811,975 | 2,643,811,975 |
| NTA per Share (US cents) | (0.08) | 0.40 | 0.06 |

Note:

- (1) NTA means total assets less sum of total liabilities, non-controlling interest and intangible assets (net of non-controlling interest).

4.3 Net Gearing

Assuming: (a) the issue of the Subscription Shares; or (b) the issue of the New Subscription Shares, had been completed on 31 March 2021, the effect on the Group's net gearing for the financial year ended 31 March 2021 would have been as follows

| | As at the date of this announcement | After the issue of the Subscription Shares | After the issue of the New Subscription Shares |
|------------------------------------|-------------------------------------|--|--|
| Total net borrowings (US\$'000) | 6,453 | 6,453 | 6,453 |
| Total equity (US\$'000) | 7,862 | 28,221 | 11,299 |
| Net gearing (times) ⁽¹⁾ | 0.82 | 0.23 | 0.57 |

Note:

(1) Net gearing = (Gross borrowings – Cash)/Total equity.

5 RATIONALE AND USE OF PROCEEDS

- 5.1 The Company has decided to place the Subscription Shares to the Subscriber so as to raise funds to retire borrowings, provide liquidity to the Group's working capital, develop new products and technologies and for business expansion.
- 5.2 The estimated net proceeds from the issue and allotment of the Subscription Shares after deducting expenses incurred in connection with the same is expected to amount to approximately S\$27.5 million (the "**Net Proceeds**").
- 5.3 The Company intends to use the Net Proceeds in the following proportions:

| Use of Net Proceeds | Proportion (%) | Amount of Net Proceeds (S\$'000) |
|---|-----------------------|---|
| Repayment of borrowings | 32.0% | 8,800 |
| Repayment of existing outstanding payables | 14.6% | 4,000 |
| Working capital of the Group (including materials and testing costs for order fulfillment, marketing and administrative expenses) | 23.6% | 6,500 |
| New product and technology development and Business expansion | 29.8% | 8,200 |
| Total | 100.0% | 27,500 |

- 5.4 Pending the deployment of the Net Proceeds for the abovementioned purposes, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets instruments and/or marketable securities, and/or used for working capital or any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.
- 5.5 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the stated use of proceeds and in accordance with the percentage allocation, and provide a status report on the use of the Net Proceeds in the interim and full year financial statements and in the annual report(s) of the Company, until such time such proceeds have been fully utilised. Where the Net Proceeds have been used for general corporate and/or working capital purposes, the Company will also announce and provide a breakdown with specific details on the use of the Net Proceeds in the financial statements and annual reports. Where there is a material deviation in the use of the Net Proceeds, the Company will announce the reasons for such deviation.

6 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial Shareholders has any interests, direct or indirect, in the Subscription, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

7 DOCUMENTS AVAILABLE FOR INSPECTION

Subject to any applicable control order or regulatory restriction relating to safe distancing which may be issued by the relevant authorities, a copy of the Subscription Agreement is available for inspection, strictly by appointment only, at the Company's registered office located at 202 Bedok South Ave 1, #01-11, Singapore 469332 during normal business hours for three (3) months from the date of this announcement. To make an appointment, please send request to appointment@addvalue.com.sg.

8 RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Subscription, the Subscription Shares, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

9 CAUTIONARY STATEMENT

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities that may be prejudicial to their interests, and to exercise caution when dealing or trading in the securities of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

10 FORWARD LOOKING STATEMENTS

Some of the statements in this announcement constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect the Group's current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside the Group's control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and factors such as general economic and business conditions. Because actual results could differ materially from the Group's intentions, plans, expectations, assumptions and beliefs about the future and any negative impacts arising from these issues will affect the performance of the Group's businesses, undue reliance must not be placed on these statements.

11 FURTHER ANNOUNCEMENTS

Further announcements will be made by the Company in relation to the Subscription as and when appropriate.

BY ORDER OF THE BOARD

Dr Colin Chan Kum Lok
Chairman and CEO
20 November 2021