

- 
- (1) **PLACEMENT OF 490,000,000 NEW WARRANTS EXERCISABLE INTO 490,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN EXERCISE PRICE OF S\$0.0205 PER NEW WARRANT TO RAIN ASIA PACIFIC PTE. LTD.**
- (2) **PLACEMENT OF 27,000,000 NEW WARRANTS EXERCISABLE INTO 27,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN EXERCISE PRICE OF S\$0.0205 PER NEW WARRANT TO PAUL C BURKE**
- 

## 1. INTRODUCTION

1.1. The Board of Directors (the “**Board**”) of Addvalue Technologies Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has on 25 March 2020 entered into the following warrant subscription agreements (the “**Warrant Subscription Agreements**”) in relation to:

- (a) the subscription by Rain Asia Pacific Pte. Ltd. (“**Rain Asia**”) of 490,000,000 new warrants (the “**Rain Asia Warrants**”) exercisable into 490,000,000 new ordinary shares in the capital of the Company (the “**Rain Asia Warrant Shares**”) at an exercise price of S\$0.0205 per Rain Asia Warrant (the “**Rain Asia Exercise Price**”); and
- (b) the subscription by Paul C Burke (“**PCB**” and together with Rain Asia, the “**Subscribers**” and each of them, the “**Subscriber**”) of 27,000,000 new warrants (the “**PCB Warrants**” and together with the Rain Asia Warrants, the “**Warrants**”) exercisable into 27,000,000 new ordinary shares in the capital of the Company (the “**PCB Warrant Shares**” and together with the Rain Asia Warrant Shares, the “**Warrant Shares**”) at an exercise price of \$0.0205 per PCB Warrant (the “**PCB Exercise Price**”),

(collectively, the “**Warrants Issue**”).

Rain Asia Warrant Shares	PCB Warrant Shares	Rain Asia Warrant Shares and PCB Warrant Shares	Rain Asia Warrant Shares	PCB Warrant Shares	Rain Asia Warrant Shares and PCB Warrant Shares	Rain Asia Warrant Shares	PCB Warrant Shares	Rain Asia Warrant Shares and PCB Warrant Shares
As % of the Existing Share Capital <sup>(1)</sup>			As % of the Enlarged Share Capital <sup>(2)</sup>			As% of the Maximum Enlarged Share Capital <sup>(3)</sup>		
26.20	1.44	27.64	18.46	1.02	19.48	17.20	0.95	18.15

### Notes:

- (1) Based on the existing issued and paid-up share capital of the Company as at the date of this announcement comprising 1,870,441,084 Shares (the “**Existing Share Capital**”).
- (2) Based on the enlarged issued and paid-up share capital of the Company assuming: (i) full exercise of the Rain Asia Warrants and the PCB Warrants, and the issue and allotment of 490,000,000 Rain Asia Warrant

Shares and 27,000,000 PCB Warrant Shares; and (ii) the issue and allotment of 266,666,600 new ordinary shares in the capital of the Company (“Shares”) to Rain Asia pursuant to the share subscription agreement dated 25 March 2020 entered into between the Company and Rain Asia (the “Rain Asia Subscription Shares”), comprising 2,654,107,684 Shares (the “Enlarged Share Capital”).

- (3) Based on the maximum enlarged issued and paid-up share capital of the Company assuming: (i) full exercise of the Rain Asia Warrants and the PCB Warrants, and the issue and allotment of 490,000,000 Rain Asia Warrant Shares and 27,000,000 PCB Warrant Shares; (ii) the issue and allotment of the Rain Asia Subscription Shares; (iii) the issue and allotment of 150,000,000 new Shares to Paul Clark Burke (the “PCB Conversion Shares”) on conversion of the entire convertible loan note in the principal amount of S\$3.45 million (assuming conversion price of S\$0.023 per Share) pursuant to the subscription agreement dated 28 June 2019; and (iv) the issue and allotment of 45,000,000 new Shares to Wang Yu Hwei (the “WYH Conversion Shares”) on conversion of the S\$2.475 million outstanding under a convertible loan note (assuming a conversion price of S\$0.055 per Share) pursuant to the subscription agreement dated 28 April 2017, comprising 2,849,107,684 Shares (the “Maximum Enlarged Share Capital”).

- 1.2. The Rain Asia Exercise Price and the PCB Exercise Price represent a premium of approximately 6.22% respectively 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 Warrant Subscription Agreements were signed (i.e., 25 March 2020). The VWAP is S\$0.0193 per Share.

## 2. THE WARRANTS ISSUE

### 2.1. Key Terms of the Warrants Issue

The key terms of the Warrants Subscription Agreements and the deed polls dated 25 March 2020 constituting the Warrants are as summarised below:

	Rain Asia	PCB
<b>Number of Warrants</b>	490,000,000	27,000,000
<b>Exercise Ratio</b>	Each Warrant shall confer the right to subscribe in cash for one Warrant Share at the Exercise Price during the relevant Exercise Period. Warrants remaining unexercised shall lapse and cease to be valid for any purpose.	
<b>Issue Price</b>	S\$1.00 in aggregate	S\$1.00 in aggregate
<b>Exercise Price</b>	S\$0.0205	
<b>Exercise Period</b>	(a) in respect of the first 50% of the Warrants, the period commencing on and including the date of issue of the Warrants and expiring at 5:00 p.m. (Singapore time) on the market day falling three months from the date of the issue of the Warrants; and  (b) in respect of the remaining 50% of the Warrants, the period commencing on and including the date of issue of the Warrants and expiring at 5:00 p.m. (Singapore time) on the market day falling six months from the date of the issue of the Warrants.	
<b>Status of Warrant Shares</b>	The Warrants shall be issued free from all claims, charges, liens and other encumbrances whatsoever and the Warrant Shares shall rank <i>pari passu</i> in all respects with and carry all rights similar to existing Shares, except that they will not rank for any dividend, right, allotment or other distributions, the	

	record date of which falls on or before the date of issue of such Warrant Shares.
<b>Adjustment Events</b>	Including an issue by the Company of new Shares credited as fully-paid by way of capitalisation of profits or reserves, a capital distribution made by the Company, an offer or invitation made by the Company to the shareholders of the Company (" <b>Shareholders</b> ") under which they may acquire or subscribe for Shares, an issue other than a rights issue or any consolidation, subdivision, reclassification or conversion of Shares.
<b>Other terms and conditions</b>	The Warrants shall be strictly non-transferable. The Warrants will be issued in registered form and will not be listed and traded separately.

## 2.2. **Expiry of Warrants**

The expiry of the Warrants will be announced via SGXNET, and notice of expiry shall be sent to the Subscribers at least one month before the expiration date.

## 2.3. **Amendments to Terms of Warrants Issue**

Any material amendment to the terms of the Warrants Issue after issue to the advantage of the Subscribers shall be approved by Shareholders, except where the amendment is made pursuant to the terms of the Warrants Issue.

Any adjustment or amendment made to the terms of the Warrants Issue will also be announced via SGXNET. In the case of an adjustment, the announcement will state the specific formula, whether the adjustment has been reviewed to be in accordance with the formula, the identity of the reviewer and its relationship to the Company.

The Company will not extend the exercise period of the Warrant or issue a new company warrant to replace an existing Warrant. Except where the adjustments are made pursuant to the terms of the Warrants Issue, the Company will not change the exercise price of the Warrants or change the exercise ratio of the Warrants.

## 2.4. **Authority for the Warrants Issue**

As the issue of the Rain Asia Warrants (and the issue and allotment of the Rain Asia Warrant Shares upon exercise of the Rain Asia Warrants), when taken together with the issue and allotment of the Rain Asia Subscription Shares, may result in a transfer of a controlling interest in the Company, the Warrants Issue shall be subject to the specific approval of the Shareholders to be obtained at a general meeting to be convened in due course. On completion of the issue and allotment of the Rain Asia Subscription Shares, Rain Asia will become a substantial Shareholder of the Company. Accordingly, Rain Asia shall abstain, and shall procure that its associates abstain, from voting on the relevant resolution. Similarly, PCB who is currently an existing Shareholder shall also abstain, and shall procure that his associates abstain, from voting on the relevant resolution.

## 2.5. **Conditions Precedent**

Completion of the issuance of the Warrants shall be conditional upon the following conditions

having been fulfilled:

- (a) approval-in-principle for the listing and quotation of the Warrant Shares on the Mainboard being obtained from the SGX-ST and not revoked or amended as at the completion date and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscriber;
- (b) the requisite approval of the Shareholders being obtained for the issuance of the Warrants at an extraordinary general meeting of the Company to be convened;
- (c) the issue of the Warrants not being prohibited by any statute, order, rule or regulation promulgated after the date of the Warrant Subscription Agreements by any applicable legislative, executive or regulatory body or authority of Singapore; and
- (d) the representations and warranties made by the Company and the Subscriber in the Warrant Subscription Agreements shall be true, accurate, complete and not misleading with respect to the subject covered therein when made, and shall be true, accurate, complete and not misleading as at the completion date.

If any of the conditions precedent is not satisfied on or before five months from the date of the Warrant Subscription Agreements or such later date as the parties may agree in writing, the parties shall have the option to be released and discharged from their respective obligations thereunder.

## **2.6. No Placement Agent**

No placement agent has been appointed in respect of the Warrants Issue. Rain Asia was introduced to the Company by Mr Chiang Mun Kit Julian, a businessman who has been a business associate of the Company since 2000. An introducer fee of 2% of the gross proceeds received by the Company is payable by the Company to the introducer on a success basis.

## **2.7. Private Placement**

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

## **2.8. Additional Listing Application**

The Company will be making an application to the SGX-ST for the listing and quotation of the Warrant Shares on the Mainboard. The Company will make the necessary announcements once the approval-in-principle for the Warrant Shares has been obtained from the SGX-ST.

## **3. INFORMATION ON THE SUBSCRIBERS**

- 3.1. PCB is an existing Shareholder of the Company. Upon the completion of the issue and allotment of the Rain Asia Subscription Shares, Rain Asia will become a Shareholder of the Company. The Subscribers have entered into the Warrants Subscription Agreements for investment purposes. The Subscribers expressed their interest to further invest in the Company through the subscription for the Warrants for their own investment purposes and the Subscribers will not hold the Warrants and/or the Warrant Shares in trust or as nominee for other persons.

### 3.2. Rain Asia

Rain Asia is a privately owned company established with the commercial objectives of investing into Critical Infrastructure (including gas-to-power and water industrial sectors), Technology and Real Estate. The legal and beneficial owners and shareholders of Rain Asia are Dr. Ali Nasser S.A. Aldhaheri and Mr. Bambang Sugeng bin Kajairi, respectively holding 60% and 40% of the issued share capital of Rain Asia. The shareholders of Rain Asia are private investors.

Based on the confirmation received from Rain Asia, none of Rain Asia and its shareholders are existing Shareholders and none have any connections (including business relationships) with the Company, the Directors and/or the substantial Shareholders. Rain Asia has confirmed that it is not currently a person falling within the categories of persons listed in Rule 812(1) of the Listing Manual of the SGX-ST.

It should be noted, however, that:

- (a) on completion of the issue and allotment of the Rain Asia Subscription Shares, Rain Asia will become a substantial Shareholder of the Company; and
- (b) on completion of the issue and allotment of the Rain Asia Warrant Shares (assuming full exercise of the Rain Asia Warrants), Rain Asia will become a controlling Shareholder of the Company. Accordingly, the Company will seek the approval of the Shareholders for the transfer of controlling interest pursuant to Rule 803 of the Listing Manual of the SGX-ST.

### 3.3. PCB

PCB is an accredited investor and an American citizen, businessman and entrepreneur with over 25 years of experience in the aviation industry. He is currently the Chairman of Konnectronix, Inc. (f/k/a Telefonix, Inc.), a company that he founded in 1989, which now focuses on product design and manufacturing for the e-mobility market following the sale of the company's aerospace assets in December 2017.

PCB is an existing Shareholder and, save for his existing shareholding, does not have any connections (including business relationships) with the Company, the Directors and/or the substantial Shareholders.

On issue and allotment of the PCB Conversion Shares and/or the PCB Warrant Shares (assuming full exercise of the PCB Warrants), PCB will become a substantial Shareholder but this will not result in a transfer of controlling interest to PCB as Rain Asia will be the single largest shareholder of the Company upon completion of the issue and allotment of the Rain Asia Subscription Shares (with or without taking into account any issue and allotment of the Rain Asia Warrant Shares).

PCB has confirmed that he is not currently a person falling within the categories of persons listed in Rule 812(1) of the Listing Manual of the SGX-ST.

## 4. **FINANCIAL EFFECTS**

The financial effects of the issue of the Warrants (and the issue and allotment of the Warrant Shares assuming full exercise of the Warrants) 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 2019).

#### 4.1. Earnings per Share (“EPS”)

Assuming: (a) the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants) only; or (b) the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants) and the Rain Asia Subscription Shares; or (c) the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants), the Rain Asia Subscription Shares, the PCB Conversion Shares and the WYH Conversion Shares, had been completed on 1 April 2018, the effect on the Group’s EPS for the financial year ended 31 March 2019 would have been as follows:

	As at the date of this announcement	After the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants) only	After the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants) and the Rain Asia Subscription Shares	After the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants), the Rain Asia Subscription Shares, the PCB Conversion Shares and the WYH Conversion Shares
(Loss)/Profit After Taxation and Non-Controlling Interests (US\$'000)	(4,107)	(4,107)	(4,107)	(4,107)
Weighted Average Number of Shares	1,804,687,659	2,321,687,659	2,588,354,259	2,783,354,259
EPS (US cents)	(0.23)	(0.18)	(0.16)	(0.15)

#### 4.2. Net Tangible Assets (“NTA”)<sup>(4)</sup>

Assuming: (a) the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants) only; or (b) the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants) and the Rain Asia Subscription Shares; or (c) the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants), the Rain Asia Subscription Shares, the PCB Conversion Shares and the WYH Conversion Shares, had been completed on 31 March 2019, the effect on the Group’s NTA per Share as at 31 March 2019 would have been as follows:

	As at the date of this announcement	After the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants) only	After the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants) and the Rain Asia Subscription Shares	After the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants), the Rain Asia Subscription Shares, the PCB Conversion Shares and the WYH Conversion Shares
NTA <sup>(4)</sup> attributable to the Shareholders (US\$'000)	(4,153)	3,464	7,776	9,199

Number of Shares	1,870,441,084	2,387,441,084	2,654,107,684	2,849,107,684
NTA per Share (US cents)	(0.22)	0.15	0.29	0.32

**Note:**

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

**4.3. Net Gearing**

The issue and allotment of the Warrant Shares (assuming full exercise of the Warrants) would not have an effect on the net gearing of the Group.

**5. RATIONALE FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

- 5.1. The estimated proceeds from the issue and allotment of the Warrant Shares (assuming full exercise of the Warrants) after deducting expenses incurred in connection with the same is expected to amount to approximately S\$10.3 million (the “**Net Proceeds**”).
- 5.2. The Company intends to utilise the Net Proceeds in the following proportions:

Use of Net Proceeds	Proportion (%)	Amount of Net Proceeds (S\$'000)
Capability Development Program for Space (the “ <b>Space Program</b> ”)	29.13	3,000
Investment into new technologies and/or additional working capital needed due to the uncertainties caused by the global COVID-19 pandemic	19.42	2,000
Repayment of loans (including provisions to retire certain existing convertible notes)	32.03	3,300
Working capital of the Group (including expenses relating to suppliers for materials and services and administrative expenses including payroll)	19.42	2,000
Total	100.00	10.300

- 5.3. The Net Proceeds would strengthen the working capital of the Group as it seeks to expand and grow its IDRS business, which business is being cultivated as part of the Group’s Space Program, and also enable it to fund the expansion of its existing business and acquire new technologies and/or to be used as additional working capital due to the uncertainties caused by the global COVID-19 pandemic.
- 5.4. The Company will make announcements as to the use of the Net Proceeds as and when such proceeds are materially disbursed and whether such a use is in accordance with the stated purpose. The Company will also provide a status report on the use of the Net Proceeds in the Company’s interim and full year financial statements, and the Company’s annual report. Where the Net Proceeds are used for working capital purposes, the Company will provide a

breakdown with specific details on how the Net Proceeds have been applied in the announcements and the status reports. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

- 5.5. Pending the deployment of the Net Proceeds, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may deem fit, from time to time.

## **6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Other than through each of their respective direct and/or indirect shareholding interests in the Company, none of the Directors and substantial Shareholders has any interests, direct or indirect, in the Warrants Issue.

## **7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Warrant Subscription Agreements is available for inspection at the Company's Singapore registered office located at 202 Bedok South Ave 1, #01-11, Singapore 469332 for three months from the date of this announcement.

## **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 Warrants Issue, the Company and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this 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 this announcement in its proper form and context.

## **9. TRADING CAUTION**

Shareholders and potential investors of the Company 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 in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Dr Colin Chan Kum Lok  
Chairman and CEO

26 March 2020