

## CIRCULAR DATED 13 FEBRUARY 2024

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.**

*Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.*

If you have sold or transferred all your shares in the capital of Addvalue Technologies Ltd (the "**Company**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the Notice of EGM and the enclosed Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the enclosed Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular together with the Notice of EGM and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Circular.

This Circular (together with the Notice of EGM and the Proxy Form) may be accessed at the Company's website at the URL <https://www.addvaluetech.com/category/corporate/investor-relations/>, and is also available on the SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements>.



### **ADDVALUE TECHNOLOGIES LTD**

(Incorporated in the Republic of Singapore)

(Company Registration No. 199603037H)

#### **CIRCULAR TO SHAREHOLDERS IN RELATION TO:**

**THE PROPOSED ISSUE OF CONVERTIBLE LOAN NOTES IN THE AGGREGATE PRINCIPAL AMOUNT OF S\$513,500 WITH AN AGGREGATE OF 39,500,000 FREE DETACHABLE WARRANTS, EACH CARRYING THE RIGHT TO SUBSCRIBE FOR ONE NEW WARRANT SHARE AT AN EXERCISE PRICE OF S\$0.013 PER WARRANT SHARE, TO MR. PAUL C BURKE, MR. RICHARD JOHN DENNY, MR. TAN KHAI PANG, MS. GOH LIANG CHOO, MR. WONG MING GHEE, BERNARD AND MR. CHUA CHWEE KOH, THE DIRECTORS OF THE COMPANY**

#### **IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	:	4 March 2024 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	6 March 2024 at 10.00 a.m.
Place of Extraordinary General Meeting	:	The EGM will be held at 202 Bedok South Ave 1, Singapore 469332 (Block A, Seminar Room)

---

## CONTENTS

---

	PAGE
DEFINITIONS .....	3
LETTER TO SHAREHOLDERS.....	8
1. INTRODUCTION.....	8
2. THE RESTRICTED PERSONS .....	11
3. THE PROPOSED ISSUE TO RESTRICTED PERSONS.....	13
4. AUTHORITY TO ISSUE THE CONVERSION SHARES AND THE WARRANT SHARES .....	21
5. FINANCIAL EFFECTS OF THE PROPOSED ISSUE .....	22
6. RATIONALE FOR THE PROPOSED ISSUE AND USE OF PROCEEDS .....	24
7. INTERESTED PERSON TRANSACTIONS .....	26
8. ISSUANCE OF SECURITIES FOR THE PAST 24 MONTHS .....	27
9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS .....	27
10. DIRECTORS' RECOMMENDATION .....	28
11. EXTRAORDINARY GENERAL MEETING .....	28
12. ACTION TO BE TAKEN BY SHAREHOLDERS .....	28
13. ABSTENTION FROM VOTING.....	29
14. DOCUMENTS AVAILABLE FOR INSPECTION.....	29
15. DIRECTORS' RESPONSIBILITY STATEMENT .....	29
<b>APPENDIX A – ADJUSTMENT EVENTS.....</b>	<b>A-1</b>
<b>APPENDIX B – ISSUANCE OF SECURITIES FOR THE PAST 24 MONTHS.....</b>	<b>B-1</b>

---

## DEFINITIONS

---

For the purpose of this Circular, except where the context otherwise requires or is otherwise stated, the following definitions shall apply throughout:

- “AIPL Loan”** : Has the meaning ascribed to it in Section 3.4 of this Circular.
- “associate”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Board”** : The board of Directors of the Company as at the Latest Practicable Date.
- “CDP”** : The Central Depository (Pte) Limited.
- “CLN Net Proceeds”** : The net proceeds from the issue of the Convertible Loan Notes of approximately S\$1.141 million.
- “Closing Date”** : The date on which the Convertible Loan Note(s) will be issued at closing, being the date on which the last of the conditions precedent under the Subscription Agreement are fulfilled.
- “Company”** : Addvalue Technologies Ltd.
- “Conversion Share(s)”** : Has the meaning ascribed to it in Section 1.1 of this Circular.
- “Conditions”** : Has the meaning ascribed to it in Section 3.1 of this Circular.
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or

---

## DEFINITIONS

---

	(b) in fact exercises control over the Company.
<b>“Conversion Price”</b>	: Has the meaning ascribed to it in Section 1.1 of this Circular.
<b>“Convertible Loan Note(s)”</b>	: Has the meaning ascribed to it in Section 1.1 of this Circular.
<b>“Director”</b>	: A director of the Company.
<b>“EGM”</b>	: The extraordinary general meeting of the Company to be held at 202 Bedok South Ave 1, Singapore 469332 (Block A, Seminar Room) on 6 March 2024 at 10.00 a.m., the notice of which is available on <a href="https://www.addvaluetech.com/EGM">https://www.addvaluetech.com/EGM</a> .
<b>“EPS”</b>	: Earnings per Share.
<b>“Exercise Price”</b>	: S\$0.013 per Warrant Share.
<b>“FY”</b>	: Financial year ended or ending 31 March.
<b>“FY2023 Annual Report”</b>	: The annual report of the Company for FY2023.
<b>“Interested Person”</b>	: In the case of a company, means:  (a) a director, chief executive officer, or controlling shareholder of the issuer; or  (b) an associate of any such director, chief executive officer, or controlling shareholder.  The SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into: (i) a transaction with an entity at risk; and (ii) an agreement or arrangement with an interested person in connection with that transaction.
<b>“Interested Person Transactions”</b>	: A transaction between an entity at risk and an Interested Person.
<b>“Issue Date”</b>	: The date on which a Convertible Loan Note is issued at Closing.
<b>“Latest Practicable Date”</b>	: 30 January 2024, being the latest practicable date prior to the date of this Circular.
<b>“Listing Manual”</b>	: The listing manual of the SGX-ST, as amended, modified or supplemented from time to time.
<b>“Maturity Date”</b>	: Has the meaning ascribed to it in Section 3.5 of this Circular.
<b>“Non-Restricted Persons”</b>	: Has the meaning ascribed to it in Section 1.3 of this Circular.

---

## DEFINITIONS

---

<b>“Non-Restricted Issue”</b>	<b>Persons</b>	:	Has the meaning ascribed to it in Section 1.3 of this Circular.
<b>“Notice of EGM”</b>		:	The Notice of EGM dated 13 February 2024.
<b>“NTA”</b>		:	Net tangible assets.
<b>“Ordinary Resolution”</b>		:	Has the meaning ascribed to it in the Companies Act.
<b>“Partial Conversion”</b>		:	Has the meaning ascribed to it in Section 3.5 of this Circular.
<b>“Partial Exercise”</b>		:	Has the meaning ascribed to it in Section 3.5 of this Circular.
<b>“Proposed Issue”</b>		:	Has the meaning ascribed to it in Section 1.1 of this Circular.
<b>“Proposed Issue Restricted Persons”</b>	<b>to</b>	:	Has the meaning ascribed to it in Section 1.2 of this Circular.
<b>“RCB Shares”</b>		:	Has the meaning ascribed to it in Section 3.4 of this Circular.
<b>“Restricted Persons”</b>		:	Has the meaning ascribed to it in Section 1.2 of this Circular.
<b>“Securities Account”</b>		:	A securities account maintained by a Depositor with CDP but does not include a securities subaccount maintained with a Depository Agent.
<b>“SFA”</b>		:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time.
<b>“SGX-ST”</b>		:	Singapore Exchange Securities Trading Limited.
<b>“Shareholders” or “Members”</b>		:	Registered holders of Shares, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares.
<b>“Shares”</b>		:	Ordinary shares in the paid-up share capital of the Company.
<b>“Subscribers”</b>		:	Has the meaning ascribed to it in Section 1.1 of this Circular.
<b>“Subscription Agreements”</b>		:	Has the meaning ascribed to it in Section 1.1 of this Circular.
<b>“Subscription Price”</b>		:	100% of the principal amount of the Convertible Loan Note to be issued to each Restricted Person.

---

## DEFINITIONS

“ <b>Substantial Shareholder</b> ”	:	A person who has an interest in not less than five per cent (5%) of the issued voting shares of the Company, as defined under section 81 of the Companies Act
“ <b>VWAP</b> ”	:	Volume weight average price.
“ <b>Warrant(s)</b> ”	:	Has the meaning ascribed to it in Section 1.1 of this Circular.
“ <b>Warrant Conditions</b> ”	:	Has the meaning ascribed to it in Section 3.1 of this Circular.
“ <b>Warrant Share(s)</b> ”	:	Has the meaning ascribed to it in Section 1.1 of this Circular.
“ <b>Warrants Net Proceeds</b> ”	:	The net proceeds from the exercise of the Warrants (assuming full exercise of the Warrants) of approximately S\$1.2 million.
“ <b>%</b> ” or “ <b>per cent</b> ”	:	Per centum or percentage
“ <b>S\$</b> ” or “ <b>cents</b> ”	:	Singapore dollars and cents respectively.
“ <b>US\$</b> ”	:	United States dollars.

The terms “**Depositor**”, “**Depository**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in the Companies Act.

Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise stated.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Listing Manual.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, the Listing Manual or such statutory modification thereof and used in this Circular shall, where applicable, have the meaning

---

## DEFINITIONS

---

ascribed to it under the Companies Act, the SFA, the Listing Manual or such statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Circular to Shares being allotted to a person includes allotment to CDP for the account of that Depositor.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any discrepancies in tables included in this Circular between the listed amounts and the totals are due to rounding; accordingly, the figures shown as totals in this Circular may not be an aggregation of the figures that precede them.

Morgan Lewis Stamford LLC has been appointed as the legal adviser to the Company as to Singapore law in relation to this Circular. No other legal advisors were previously engaged by the Company in relation to this Circular.

---

## LETTER TO SHAREHOLDERS

---

**ADDVALUE TECHNOLOGIES LTD**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199603037H)

## LETTER TO SHAREHOLDERS

**Directors:**

Mr. Richard John Denny (Chairman, Independent Non-Executive Director)  
Mr. Tan Khai Pang (Chief Executive Officer and Executive Director)  
Ms. Goh Liang Choo (Independent Non-Executive Director)  
Mr. Wong Ming Ghee, Bernard (Independent Non-Executive Director)  
Mr. Paul Clark Burke (Non-Executive and Non-Independent Director)  
Mr. Chua Chwee Koh (Non-Executive and Non-Independent Director)

**Registered Office:**

202 Bedok South Ave 1  
#01-11  
Singapore 469332

13 February 2024

To: The Shareholders of Addvalue Technologies Ltd

Dear Sir/Madam,

**THE PROPOSED ISSUE OF CONVERTIBLE LOAN NOTES IN THE AGGREGATE PRINCIPAL AMOUNT OF S\$513,500 WITH AN AGGREGATE OF 39,500,000 FREE DETACHABLE WARRANTS, EACH CARRYING THE RIGHT TO SUBSCRIBE FOR ONE NEW WARRANT SHARE AT AN EXERCISE PRICE OF S\$0.013 PER WARRANT SHARE, TO MR. PAUL C BURKE, MR. RICHARD JOHN DENNY, MR. TAN KHAI PANG, MS. GOH LIANG CHOO, MR. WONG MING GHEE, BERNARD AND MR. CHUA CHWEE KOH, THE DIRECTORS OF THE COMPANY**

---

### 1. INTRODUCTION

1.1. The Board refers to the Company's previous announcement dated 13 October 2023 in relation to the Company's entry into several subscription agreements (the "**Subscription Agreements**") for the issue (the "**Proposed Issue**") of convertible loan notes in the aggregate principal amount of S\$1,241,500 (the "**Convertible Loan Notes**" and each, a "**Convertible Loan Note**") convertible into 95,500,000 new Shares (the "**Conversion Shares**" and each, a "**Conversion Share**") at the conversion price of S\$0.013 per Conversion Share (the "**Conversion Price**") with an aggregate of 95,500,000 free detachable warrants (the "**Warrants**" and each, a "**Warrant**"), with each Warrant carrying the right to subscribe for one new Share (the "**Warrant Shares**" and each, a "**Warrant Share**") at an exercise price of S\$0.013 per Warrant Share (the "**Exercise Price**") with Mr. Paul C Burke, Mr. Richard John Denny, Mr. Tan Khai Pang, Ms. Goh Liang Choo, Mr. Wong Ming Ghee, Bernard, Mr. Chua Chwee Koh, Dr. Chan Kum Lok Colin, Mr. Tan Juay Hwa, Mr. Low Boon Leng, Mr. Ngo Guan Seng, Mr. Thin Thiam Choy, Mr. Chong Kim Ho, Dr. Hu Gang, Mr. Lee Loi Sing, Mr. Chan Kit Sun Chris and Mr. Chiang Mun Kit Julian (the "**Subscribers**"). The Subscribers comprise Directors, employees, advisors, existing Shareholders and business networking contacts of the Company. On 28 January 2024, the Company announced that the Subscription Agreement entered into between the Company and Mr. Lee Loi Sing and, accordingly, the proposed subscription of the Convertible Loan Note in the principal amount of S\$221,000 convertible into 17,000,000 Conversion Shares with an aggregate of 17,000,000 free detachable Warrants



---

## LETTER TO SHAREHOLDERS

---

exercisable into 17,000,000 Warrant Shares, has been terminated by mutual agreement on and subject to the terms and provisions of the termination letter dated 28 December 2023 entered into by them.

- 1.2. As Mr. Paul C Burke, Mr. Richard John Denny, Mr. Tan Khai Pang, Ms. Goh Liang Choo, Mr. Wong Ming Ghee, Bernard and Mr. Chua Chwee Koh are Directors of the Company (the “**Restricted Persons**”), the issue of the Convertible Loan Notes (and the Conversion Shares, upon the conversion of the Convertible Loan Notes) and the Warrants (and the Warrant Shares, upon the exercise of the Warrants) to each of them (the “**Proposed Issue to Restricted Persons**”) is subject to the specific approval of Shareholders pursuant to Section 161 of the Companies Act and Rules 804, 805(1) and 812 of the Listing Manual. On 28 January 2024, the Company announced that it had received approval in-principle from the SGX-ST for the listing and quotation of up to **39,500,000** Conversion Shares and up to **39,500,000** Warrant Shares to be allotted and issued to the Restricted Persons. The approval in-principle was granted subject to the following conditions:
- (i) independent Shareholder’s approval for the proposed issue of the Conversion Shares and the Warrant Shares to the Restricted Persons;
  - (ii) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the proposed placement of the Convertible Loan Notes and the Warrants and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report;
  - (iii) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual;
  - (iv) a written confirmation from the Company that the terms of the Convertible Loan Notes and the Warrants comply with Rule 829(1) of the Listing Manual;
  - (v) a written undertaking from the Company to announce any adjustment made pursuant to Rule 829(1) of the Listing Manual;
  - (vi) a written undertaking from the Company that it will comply with Rule 831 of the Listing Manual;
  - (vii) the Audit Committee of the Company reviewing the use of proceeds from fund raising activities in the past two years and providing a written confirmation on whether the proceeds are utilized as proposed;
  - (viii) independent verification on the use and disbursement of the funds raised from the previous issuances of securities for the past 24 months via a cash audit; and
  - (ix) an announcement of the conditions under which the Exercise Price of the Warrants and the Conversion Price of the Convertible Loan Notes may be adjusted and the conditions under which the Convertible Loan Notes may be redeemed.

---

## LETTER TO SHAREHOLDERS

---

The Company will make the relevant announcement when the above conditions have been fulfilled.

- 1.3. The issue of the Convertible Loan Notes (and the Conversion Shares, upon the conversion of the Convertible Loan Notes) and the Warrants (and the Warrant Shares, upon the exercise of the Warrants) (the “**Non-Restricted Persons Issue**”) to Subscribers other than the Restricted Persons (the “**Non-Restricted Persons**”) shall be pursuant to the general share issue mandate to issue new Shares granted by Shareholders at the Company’s annual general meeting held on 28 July 2023. On 16 November 2023, the Company announced that it had received approval in-principle from the SGX-ST for the listing and quotation on the Mainboard of the SGX-ST of up to 112,000,000 new Shares comprising: (i) up to **56,000,000** Conversion Shares and such other Conversion Shares which may be issued pursuant to any adjustments in accordance with the terms and conditions of the Convertible Loan Notes; and (ii) up to **56,000,000** Warrant Shares and such other Warrant Shares which may be issued pursuant to any adjustments in accordance with the deed poll constituting the Warrants, to be allotted and issued to the Non-Restricted Persons. The approval in-principle was granted subject to the following conditions:
- (a) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the Non-Restricted Persons Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcement on use of proceeds and in the annual report;
  - (b) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual;
  - (c) a written confirmation from the Company that it will not, pursuant to the Non-Restricted Persons Issue, issue the Conversion Shares and the Warrant Shares to persons prohibited under Rule 812(1) of the Listing Manual;
  - (d) a written confirmation from the Company that the terms of the Convertible Loan Notes and the Warrants to be issued pursuant to the Non-Restricted Persons Issue comply with Rule 829(1) of the Listing Manual;
  - (e) a written undertaking from the Company to announce any adjustment made pursuant to Rule 829(1) of the Listing Manual;
  - (f) a written undertaking from the Company that it will comply with Rule 831 of the Listing Manual;
  - (g) an announcement of the conditions under which the Exercise Price of the Warrants and the Conversion Price of the Convertible Loan Notes may be adjusted and the conditions under which the Convertible Loan Notes may be redeemed;
  - (h) the audit committee of the Company reviewing the use of proceeds from fund raising activities in the past two years and providing a written confirmation on whether the proceeds are utilized as proposed; and
  - (i) independent verification on the use and disbursement of the funds raised from the previous issuances of securities for the past 24 months via a cash audit.

---

## LETTER TO SHAREHOLDERS

---

As at the Latest Practicable Date, the above conditions have been fulfilled. On 28 January 2024, the Company announced that the issue of the Convertible Loan Notes and the Warrants to the Non-Restricted Persons (which, for the avoidance of doubt, does not include Mr. Lee Loi Sing) had been completed.

- 1.4. Shareholders should note that the approvals in-principle referred to in Section 1.3 and Section 1.4 above are not to be taken as an indication of the merits of the Proposed Issue to Restricted Persons, the Non-Restricted Persons Issue, the Convertible Loan Notes, the Conversion Shares, the Warrants, the Warrant Shares, the Company and/or its subsidiaries. The Company will provide updates via SGXNET as and when there are any material developments the Proposed Issue, including the issue of the Warrants.
- 1.5. The Proposed Issue to Restricted Persons and the Non-Restricted Persons Issue will not result in a transfer of a controlling interest in the Company under Rule 803 of the Listing Manual.
- 1.6. The Directors are convening the EGM to seek the approval of independent Shareholders for the Proposed Issue to Restricted Persons. The purpose of this Circular is to provide Shareholders with information relating to the Proposed Issue to Restricted Persons, and to seek Shareholders' approval for the Ordinary Resolutions in relation thereto at the EGM. The Ordinary Resolutions are not inter-conditional on each other. The Notice of EGM is set out in pages N-1 to N-8 of this Circular.
- 1.7. The SGX-ST assumes no responsibility for the contents of this Circular including the accuracy, completeness or correctness of any of the statements made, opinions expressed or reports contained in this Circular.

## 2. THE RESTRICTED PERSONS

- 2.1. Information on the Restricted Persons and their rationale for participating in the Proposed Issue to Restricted Persons are as follows.

Name of Restricted Person	Background of Restricted Person
Paul C Burke	Non-Independent and Non-Executive Director of the Company. Mr. Burke, an American citizen, is a businessman and entrepreneur with over 25 years of experience in the aviation industry. He is currently the CEO and Director of Konnectronix, Inc. (f/k/a Telefonix, Inc.), a company 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. His participation in the Proposed Issue is for investment purposes.
Richard John Denny	Non-Executive Chairman of the Company. Mr. Denny, an Australian national, has had over 40 years of experience in the space and satellite sector. Mr. Denny joined Inmarsat in 1988 and held a range of positions spanning across the technical and operational functions of Inmarsat before he

## LETTER TO SHAREHOLDERS

	retired in 2012. His participation in the Proposed Issue is for investment purposes.
Tan Khai Pang	Chief Executive Officer and Executive Director of the Company. Mr. Tan, one of the co-founders of the Company, has over 30 years of experience in product development and management in the field of telecommunications, with primary focus on satellite communications product development and strategic business management. Prior to his appointment as Chief Executive Officer in January 2022, Mr. Tan was the Chief Operating and Technology Officer where he focused on pivoting the company businesses to new growth markets for digital connectivity solutions, particularly in space, satcom and software defined radio industries. His participation in the Proposed Issue is for investment purposes.
Goh Liang Choo	Independent and Non-Executive Director of the Company. Ms. Goh was appointed to the Board in November 2022. She has more than 35 years of management experience from her career in Shell (International), UBS Warburg (London), General Electric Company (USA) and Ernst and Young (Singapore). She has deep expertise in diverse areas including board directorships, joint ventures governance, acquisitions and business integrations, process and business transformation, risk management, business planning, financial management and external audit. Her participation in the Proposed Issue is for investment purposes.
Wong Ming Ghee, Bernard	Independent and Non-Executive Director of the Company. Mr. Wong was appointed to the Board in September 2021. He has considerable experience and expertise particularly on business leadership and succession planning. Mr. Wong was the Asia Pacific Region Head of The Lubrizol Corporation, a Berkshire Hathaway company, for 10 years before his retirement in 2018. His participation in the Proposed Issue is for investment purposes.
Chua Chwee Koh	Non-Independent and Non-Executive Director of the Company. Mr. Chua was appointed to the Board in January 2022. He has a wealth of experience having spent 17 years with Certis CISCO in leading and transforming the business. He played a key role in integrating operations & technology in the security business and was leading the digital transformation in the last few years. His participation in the Proposed Issue is for investment purposes.

- 2.2. Save as disclosed above, to the best of the Company's knowledge, none of the Restricted Persons have any connections (including business relationships) with the Company, its

---

## LETTER TO SHAREHOLDERS

---

Directors and Substantial Shareholders other than in relation to the Proposed Issue to Restricted Persons. None of the Restricted Persons are related to each other.

- 2.3. The Restricted Persons have represented to the Company that each of them are acquiring the Convertible Loan Note and the Warrants as principal.
- 2.4. The subscription for the Convertible Loan Note by a Restricted Person is not inter-conditional on any other Restricted Person subscribing for the Convertible Loan Note.
- 2.5. No introductory fees of any kind were paid by the Company and/or its Directors for the Proposed Issue to Restricted Persons.

### 3. THE PROPOSED ISSUE TO RESTRICTED PERSONS

- 3.1. Each Restricted Person shall have the right to convert all or some of their Convertible Loan Note into Conversion Shares at any time during the relevant conversion period at an initial Conversion Price of S\$0.013 per Conversion Share. The Conversion Price is subject to adjustment in the circumstances set out in the terms and conditions of the Convertible Loan Notes as set out in the Subscription Agreements (the “**Conditions**”). The Conversion Price was determined with reference to one bid above the prevailing traded price for the Shares.
- 3.2. Each Convertible Loan Note shall be issued with free detachable Warrants, each Warrant carrying the right to subscribe for one Warrant Share at an initial Exercise Price of S\$0.013 per Warrant Share. Each Restricted Person shall have the right to convert their Warrants into Warrant Shares at any time during 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 immediately preceding the second (2<sup>nd</sup>) anniversary of the date of issue of the Warrants at the Exercise Price, which is subject to adjustment in the circumstances set out in the terms and conditions of the Warrants as set out in the Subscription Agreements (the “**Warrant Conditions**”). The Exercise Price was determined with reference to one bid above the prevailing traded price for the Shares.
- 3.3. Both the Conversion Price and the Exercise Price represent a premium of approximately 8.33% to the VWAP for trades done on the SGX-ST on 13 October 2023, being the full market day for which trades were done on which the Subscription Agreements were signed. The VWAP is S\$0.012 per Share.
- 3.4. Further information on the Convertible Loan Note, the Conversion Shares, the Warrants and the Warrant Shares to be issued to each Restricted Person is as follows.

## LETTER TO SHAREHOLDERS

Name of Subscriber	Principal Amount of Convertible Loan Note	No. of Conversion Shares	No. of Warrants / Warrant Shares	Conversion Shares and Warrant Shares as a % of the Existing Share Capital <sup>(1)</sup>	Conversion Shares and Warrant Shares as a % of the Enlarged Share Capital <sup>(2)</sup>	No. of Existing Shares <sup>(3)</sup>	Existing Shares as a % of the Existing Share Capital <sup>(1)</sup>	No. of Conversion Shares, Warrant Shares and Existing Shares	Total Shareholding as a % of the Enlarged Share Capital <sup>(2)</sup>
Paul C Burke	S\$357,500	27,500,000	27,500,000	1.7	1.62	137,726,406	4.25	192,726,406	5.67
Richard John Denny	S\$26,000	2,000,000	2,000,000	0.12	0.12	5,500,000	0.17	9,500,000	0.28
Tan Khai Pang	S\$52,000	4,000,000	4,000,000	0.25	0.24	36,201,000	1.12	44,201,000	1.30
Goh Liang Choo	S\$19,500	1,500,000	1,500,000	0.09	0.09	-	-	3,000,000	0.09
Wong Ming Ghee, Bernard	S\$26,000	2,000,000	2,000,000	0.12	0.12	8,000,000	0.25	12,000,000	0.35
Chua Chwee Koh	S\$32,500	2,500,000	2,500,000	0.15	0.15	7,834,900	0.24	12,834,900	0.38
<b>Total</b>	<b>S\$513,500</b>	<b>39,500,000</b>	<b>39,500,000</b>	<b>2.43</b>	<b>2.34</b>	<b>195,262,306</b>	<b>6.03</b>	<b>274,262,306</b>	<b>8.07</b>

**Notes:-**

- (1) Based on the issued and paid-up share capital of the Company comprising 3,242,032,092 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) Based on the enlarged issued and paid-up share capital of the Company comprising 3,399,032,092 Shares (excluding treasury shares and subsidiary holdings) assuming that: (a) all the Convertible Loan Notes issued under the Proposed Issue are fully converted into 78,500,000 Conversion Shares at a conversion price of S\$0.013 per Conversion Share; (b) all the Warrants issued under the Proposed Issue are fully exercised into 78,500,000 Warrant Shares at an exercise price of S\$0.013 per Warrant Share.
- (3) Calculated as at the Latest Practicable Date.

Assuming that: (i) the 39,500,000 Conversion Shares and the 39,500,000 Warrant Shares are allotted and issued to the Restricted Persons; and (ii) all outstanding redeemable convertible bonds of the Company are fully converted into 294,490,471 Shares (the “**RCB Shares**”)<sup>(1)</sup>, the Existing Share Capital will increase from 3,242,032,092 Shares to 3,615,522,563 Shares. Such number of Conversion Shares, Warrant Shares and RCB Shares represents approximately 11.52% of the Existing Share Capital and approximately 10.33% of the enlarged issued and paid-up share capital of the Company after the allotment and issue of the 39,500,000 Conversion Shares, the 39,500,000 Warrant Shares and the 294,490,471 RCB Shares.

---

## LETTER TO SHAREHOLDERS

---

**Note:-**

- (1) Pursuant to a rights issue exercise undertaken by the Company as announced on 7 July 2022, 14 July 2022, 5 September 2022, 26 September 2022, 30 September 2022, 11 October 2022, 2 November 2022 and 4 November 2022, the Company issued redeemable convertible bonds on 4 November 2022 in the aggregate principal amount of approximately S\$5.01 million which are convertible, in whole or in part, into up to 294,490,471 RCB Shares at a conversion price of S\$0.17 per RCB Share. The gross proceeds raised from this exercise was approximately S\$4.66 million. As announced on 10 February 2023, the entire gross proceeds have been fully utilized in accordance with the intended use of proceeds.

Based on the Enlarged Share Capital, assuming full conversion of the Convertible Loan Notes and full exercise of the Warrants, Mr. Paul C Burke will become a Substantial Shareholder pursuant to the Proposed Issue.

The Subscription Price payable by each Restricted Person shall be offset by the outstanding amount owing by the Company to the Restricted Person, as follows:

Name of Subscriber	Outstanding Sum	Principal Amount of Convertible Loan Note	Net Amount due to the Subscriber
Paul C Burke	S\$360,320 <sup>(1)</sup>	S\$357,500	S\$2,820
Richard John Denny	S\$47,833 <sup>(2)</sup>	S\$26,000	S\$21,833
Tan Khai Pang	S\$60,155.63 <sup>(3)</sup>	S\$52,000	S\$8,155.63
Goh Liang Choo	S\$20,750 <sup>(2)</sup>	S\$19,500	S\$1,250
Wong Ming Ghee, Bernard	S\$39,000 <sup>(2)</sup>	S\$26,000	S\$13,000
Chua Chwee Koh	S\$64,000 <sup>(2)</sup>	S\$32,500	S\$31,500

**Notes:-**

- (1) This amount comprises: (a) a loan with principal amount of US\$200,000 (approximately S\$274,000) and interest payable thereon of US\$36,000 (approximately S\$49,320) granted to Addvalue Innovation Pte Ltd, a wholly-owned subsidiary of the Company (the "**AIPL Loan**"); and (b) outstanding director fees of S\$37,000.
- (2) This amount comprises outstanding director fees.
- (3) This amount comprises outstanding salary and expense reimbursement.

Upon completion of the Proposed Issue, assuming full conversion of the Convertible Loan Notes and full exercise of the Warrants, Mr. Richard John Denny, Ms. Goh Liang Choo and Mr. Wong Ming Ghee, Bernard, being independent directors of the Company, will hold 0.28%, 0.09% and 0.35% respectively of the Enlarged Share Capital. As such, the Company is of the view that the aforementioned arrangement will not compromise their objectivity and independence as there is no intention to issue Conversion Shares and/or Warrant Shares such as to result in any independent director holding 5% or more of the Enlarged Share Capital.

---

## LETTER TO SHAREHOLDERS

---

- 3.5. The key terms and conditions of the Convertible Loan Notes and the Warrants to be issued to the Restricted Persons are summarised as follows:

### **Convertible Loan Notes**

Subscription Price : 100% of the principal amount of the Convertible Loan Note (the "**Subscription Price**").

Payment of Subscription Price : The Subscription Price shall be paid on the date of the Subscription Agreement<sup>(1)</sup> (unless otherwise agreed between the Subscriber and the Company). Pending closing, the payment of the Subscription Price shall be treated as a loan from the Subscriber to the Company. The Company shall pay interest in cash at the rate of 9.0% per annum on the Subscription Price for the period commencing on (and including) the date of disbursement<sup>(1)</sup> and ending on (and including) the closing date (the "**Closing Date**").

**Note:-**

The Subscription Agreements are dated 13 October 2023.

The Subscription Price payable by each Subscriber shall be offset by the outstanding amount owing by the Company to the Subscriber.

Please refer to Section 3.4 above for the outstanding amount owing by the Company to each Subscriber.

Convertible Loan Note : The Convertible Loan Note shall be issued on the Closing Date subject to the Conditions and will not be listed on any stock exchange.

The Convertible Loan Note may be transferred by delivery of the certificate issued in respect of the Convertible Loan Note, together with the form of transfer.

The Convertible Loan Note constitutes direct, unconditional, unsecured and unsubordinated obligations of the Company.

Conditions Precedent : (a) The general share issue mandate of the Company being valid, subsisting and adequate for the purposes of the issue of the Convertible Loan Note and the Warrants as at the Closing Date or, if required, Shareholders' approval having been obtained for the purposes of the issue of the Convertible Loan Note and the Warrants.



---

## LETTER TO SHAREHOLDERS

---

- (b) Approval in-principle for the listing and quotation of the Conversion Shares and the Warrant Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not revoked or amended as at the Closing Date and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscriber.
- (c) The issue of the Convertible Loan Note and the Warrants not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreement by any applicable legislative, executive or regulatory body or authority of Singapore.
- (d) The representations and warranties of the Company and the Subscriber being accurate and correct in all material respects at, and as if made on, the Closing Date, and each of the Company and the Subscriber having performed all of their obligations under the Subscription Agreement to be performed on or before the Closing Date.

Closing : Closing shall take place on the date on which the last of the conditions precedent are fulfilled.

Interest Rate : The Convertible Loan Note bears interest at the rate of 9.0% per annum on its outstanding principal amount from (and including) the issue date of the Convertible Loan Note at Closing (the "**Issue Date**"). The interest is payable in cash on 31 March and 30 September of each calendar year with the first payment occurring on 31 March 2024.

The interest rate is pegged at slightly above the 8% per annum interest rate applicable to the convertible loan notes previously issued on 6 August 2019 (which matured on 3 September 2021 and which were extended to 30 September 2022).

Conversion : The right to convert the Convertible Loan Note into Conversion Shares may only be exercised as follows: (a) if the outstanding principal amount of the Convertible Loan Note is less than S\$130,000, the noteholder may only convert such Convertible Loan Note in full; or (b) if the outstanding principal amount of the Convertible Loan Note is more than S\$130,000, the noteholder may only convert such Convertible Loan Note (i) in full; or (ii) in denominations of S\$130,000 (a "**Partial Conversion**"), provided that for any Partial Conversion, the remaining Convertible Loan Note not converted must have a minimum outstanding principal amount of S\$130,000.

---

## LETTER TO SHAREHOLDERS

---

Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof.

- Conversion Price : S\$0.013 per Conversion Share.
- Maturity Date : The date falling 24 months from the Issue Date of the Convertible Loan Note (the “**Maturity Date**”).
- Anti-Dilution Protection : The Conversion Price will be subject to adjustments in certain events occurring after the Issue Date, including consolidation, subdivision or reclassification, issue of Shares credited as fully paid to the holders of the Shares by way of capitalisation of profits or reserves (including a free distribution or bonus issue of Shares), capital distribution, rights issues of shares or options over shares, issues at less than current market price, other than specified excluded transactions. For further details on adjust events, please refer to **Appendix A**.

The Subscriber has not been given any rights of first refusal to participate in further fund raisings by the Company.

- Conversion Period : At any time from the Issue Date up to the date falling three (3) business days prior to the Maturity Date.
- Status of the Conversion Shares : The Conversion Shares will in all respects rank *pari passu* with the Shares in issue on the relevant registration date. Save as set out in the Conditions, a holder of Conversion Shares issued on conversion of the Convertible Loan Note shall not be entitled to any dividends, rights, allotments or other distributions the record date for which precedes the relevant registration date. The Convertible Loan Note which is duly converted will be cancelled on the relevant registration date.
- Redemption : Unless previously redeemed, converted or purchased and cancelled as provided in the Conditions, the Company will redeem the Convertible Loan Note at 100.0% of their principal amount together with interest accrued on the Maturity Date.

Subject to the Conditions, the Company may also elect to redeem the Convertible Loan Note plus interest accrued prior to the Maturity Date at its option or for taxation reasons.

- Liquidation etc. for the Noteholders : The Convertible Loan Note shall become immediately due and payable at 100% of the principal amount plus accrued interest in the event of, *inter alia*, liquidation, insolvency or winding up.

---

## LETTER TO SHAREHOLDERS

---

### Warrants

Issue of Warrants : On the Closing Date, the Convertible Loan Note shall be issued with free Warrants, the number of which shall be determined by dividing the Subscription Price by the Conversion Price, fractional entitlements to be disregarded. The Warrants will be subject to the Warrant Conditions and are freely and immediately detachable on issue, and will be issued in registered form and will not be listed on any stock exchange. The Warrants are not expressed in terms of dollar value.

There is no lock-up period for the Warrants.

Exercise of Warrants : Each Warrant shall confer the right to subscribe in cash for one Warrant Share at the Exercise Price of S\$0.013 per Warrant Share (subject to adjustments) at any time during 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 immediately preceding the second (2<sup>nd</sup>) anniversary of the date of issue of the Warrants provided that: (a) if the aggregate exercise price represented by a warrant holder's Warrants is less than S\$130,000, the warrant holder may only exercise all of its Warrants; or (b) if the aggregate exercise price represented by a warrant holder's Warrants is more than S\$130,000, the warrant holder may only (i) exercise all of its Warrants; or (ii) exercise its Warrants where the aggregate exercise price is in denominations of S\$130,000 (a "**Partial Exercise**"), provided that for any Partial Exercise, the aggregate exercise price represented by the warrant holder's Warrants not exercised must have a minimum amount of S\$130,000.

Adjustment Events : The Exercise Price and the number of Warrants held by each warrant holder will be subject to adjustments in certain events occurring, including an issue by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any free distribution or bonus issue of Shares), a capital distribution, an offer or invitation made by the Company to the Shareholders under which they may acquire or subscribe for Shares by way of rights, or issue or grant to the Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, any consolidation, subdivision, reclassification or conversion of Shares, other than specified excluded transactions. For further details on adjust events, please refer to **Appendix A**.

---

## LETTER TO SHAREHOLDERS

---

- Status of Warrant Shares : When issued and allotted, the Warrant Shares shall be fully paid and shall rank for any dividends, rights, allocations or other distributions, the record date for which is on or after the relevant exercise date, *pari passu* in all respects with the then existing Shares of the Company.
- Transfer of Warrants : The Warrants shall be transferable by instrument of transfer in such form as may be approved by the Directors and in accordance with all applicable laws and regulations.
- Liquidation etc. for the Warranholders : Unless in the event of a members' voluntary winding-up, if the Company is wound up for any other reason, all Warrants which have not been exercised at the date of the passing of such winding-up resolution shall lapse and the Warrants shall cease to be valid for any purpose.

If prior to the expiry of the Warrants, an effective resolution is passed for a members' voluntary winding up of the Company, for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement approved by the warrant holders by way of a special resolution, the terms of such scheme of arrangement shall be binding on all the warrant holders and all persons having an interest in the Warrants. In any other case, if notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, every warrant holder shall be entitled, by irrevocable surrender of his warrant certificate(s) to the Company with the exercise notice(s) duly completed, together with all payments payable, to elect to be treated as if he had had immediately prior to the commencement of such winding-up exercised the Warrants to the extent specified in the exercise notice(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly.

- 3.6. In addition, the Subscription Agreement entered into between the Company and Mr. Paul C Burke also contains the following key terms and conditions:
- (a) the Company will not, without the prior written consent of Mr. Paul C Burke, issue any new Shares at an issue price below S\$0.013 from the date of the relevant Subscription Agreement until the date falling twelve (12) months from the relevant Closing Date; and
  - (b) prior to the Closing Date, the Company will not, without the prior written consent of Mr. Paul C Burke, undertake certain corporate transactions, including capital reduction, bonus issue, issue and allotment of Shares and grant of options over Shares (other than in respect of the Company's share option scheme, if any) (otherwise than in accordance

---

## LETTER TO SHAREHOLDERS

---

with the relevant Subscription Agreement or as announced prior to the signing of the relevant Subscription Agreement).

The Board is of the opinion that the aforementioned conditions do not have a material adverse impact on the interests of the Company as Mr. Paul C Burke is a non-executive Director of the Company as well as a long-term investor in the Company and his interests are aligned with that of the Company.

For the avoidance of doubt, save as disclosed above, the terms and conditions of each Subscription Agreement (as between the Company and each of the Subscribers) is similar.

- 3.7. The maturity of the Convertible Loan Notes and the expiry of the Warrants will be announced by the Company, with the notice of maturity or notice of expiry (as the case may be) sent to all holders at least one month prior to the maturity or expiry date (as the case may be). Any material amendment to the terms of the Convertible Loan Notes or the Warrants after issue to the advantage of the holders of such securities will be subject to approval by Shareholders except where the amendment is made pursuant to the terms of the issue. Any adjustment or amendment made to the terms of the issue will be announced by the Company. 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.
- 3.8. The Proposed Issue to Restricted Persons is not underwritten and no placement agent has been appointed in respect of the Proposed Issue to Restricted Persons.
- 3.9. The Proposed Issue to Restricted Persons, being an offer of securities made to less than 50 persons within any period of 12 months, will be undertaken pursuant to a private placement exemption under Section 272B of the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Issue to Restricted Persons.

#### **4. AUTHORITY TO ISSUE THE CONVERSION SHARES AND THE WARRANT SHARES**

Section 161 of the Companies Act and Rule 805(1) of the Listing Manual provide, among others, that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer unless the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer is made pursuant to a general mandate previously obtained from shareholders of the issuer at a general meeting as provided in Rule 806 of the Listing Manual. Rule 804 of the Listing Manual further provides, among others, that except in the case of an issue made on a pro rata basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Listing Manual, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment. Such directors and associates must abstain from exercising any voting rights on the matter.

In addition, Rule 812(2) of the Listing Manual provide that an issue of shares must not be placed to an issuer's directors and substantial shareholders unless specific shareholders' approval has been obtained for such placement, and the person, and its associates, must abstain from voting on the resolution approving the placement.

---

## LETTER TO SHAREHOLDERS

---

Accordingly, the Proposed Issue to Restricted Persons is subject to approval from Shareholders at the EGM.

### 5. FINANCIAL EFFECTS OF THE PROPOSED ISSUE

5.1. The financial effects of the Proposed Issue set out below are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after completion of the Proposed Issue. The financial effects of the Proposed Issue on the Group have been computed based on the latest available audited consolidated financial statements of the Group for FY2023 and on the following bases and assumptions:

- (a) the financial effect on the consolidated EPS of the Group is computed based on the assumption that the Proposed Issue was completed on 1 April 2022; and
- (b) the financial effect on the consolidated NTA per Share of the Group is computed based on the assumption that the Proposed Issue was completed on 31 March 2023.

For the avoidance of doubt, the financial effects set out below are in relation to the Proposed Issue to all the Subscribers (and not just the Proposed Issue to Restricted Persons) so as to enable Shareholders to understand the financial effects of the Company's fundraising exercise in totality.

### 5.2. EPS

Assuming that: (a) the issue and allotment of 78,500,000 Conversion Shares (arising from full conversion of the Convertible Loan Notes) only; or (b) the issue and allotment of the 78,500,000 Conversion Shares and 78,500,000 Warrant Shares (arising from full conversion of the Convertible Loan Notes and full exercise of the Warrants), had been completed on 1 April 2022, the effect on the Group's EPS for FY2023 would have been as follows:

	Before the Issue and Allotment of the Conversion Shares and Warrant Shares	After the Issue and Allotment of the Conversion Shares Only	After the Issue and Allotment of the Conversion Shares and Warrant Shares
(Loss)/Profit after taxation and non-controlling interests (US\$'000)	(2,992)	(2,992)	(2,992)
Weighted average number of Shares ('000)	3,101,178	3,179,678	3,258,178
EPS (US cents)	(0.10)	(0.09)	(0.09)

### 5.3. NTA<sup>(1)</sup>

Assuming that: (a) the issue and allotment of 78,500,000 Conversion Shares (arising from full conversion of the Convertible Loan Notes) only; or (b) the issue and allotment of the 78,500,000 Conversion Shares and 78,500,000 Warrant Shares (arising from full conversion of the Convertible Loan Notes and full exercise of the Warrants), had been completed on 31 March

## LETTER TO SHAREHOLDERS

2023, the effect on the Group's NTA per Share as at 31 March 2023 would have been as follows:

	Before the Issue and Allotment of the Conversion Shares and Warrant Shares	After the Issue and Allotment of the Conversion Shares Only	After the Issue and Allotment of the Conversion Shares and Warrant Shares
NTA attributable to the Shareholders ('\$000)	(2,142)	(1,468)	(653)
Number of Shares	3,242,032,092	3,320,532,092	3,399,032,092
NTA per Share (US cents)	(0.07)	(0.04)	(0.02)

**Note:-**

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

#### 5.4. Net Gearing

Assuming that the issue of the Convertible Loan Notes had been completed on 1 April 2022, and further assuming: (a) no issue and allotment of the Conversion Shares had been effected; (b) the issue and allotment of 78,500,000 Conversion Shares (arising from full conversion of the Convertible Loan Notes); and (c) the issue and allotment of 78,500,000 Conversion Shares (arising from full conversion of the Convertible Loan Notes) and 78,500,000 Warrant Shares (arising from full exercise of the Warrant), the illustrative financial effects on the net gearing of the Company would have been as follows:

	31 March 2023
<i>As reported:</i>	
Net debt (US\$'000)	4,117 <sup>(3)(4)</sup>
Shareholders' funds <sup>(1)</sup> (US\$'000)	5,831 <sup>(5)</sup>
Net gearing <sup>(2)</sup>	0.71
<i>After completion of the issue of the Convertible Loan Notes:</i>	
Net debt (US\$'000)	4,864 <sup>(4)</sup>
Shareholders' funds (US\$'000)	5,758
Net gearing	0.84
<i>After completion of the issue of the Convertible Loan Notes and assuming full conversion of the Convertible Loan Notes:</i>	
Net debt (US\$'000)	4,117
Shareholders' funds (US\$'000)	6,505 <sup>(5)</sup>
Net gearing	0.63
<i>After completion of the issue of the Convertible Loan Notes and the Warrants, and assuming full conversion of the Convertible Loan Notes and full exercise of the Warrants:</i>	
Net debt (US\$'000)	4,117
Shareholders' funds (US\$'000)	7,252
Net gearing	0.57

---

## LETTER TO SHAREHOLDERS

---

### Notes:-

- (1) Shareholders' funds include minority interests.
- (2) Defined as net debt divided by shareholders' funds.
- (3) Gross gearing of US\$4,268,000 less cash amount of US\$151,000.
- (4) The issue of the Convertible Loan Notes resulted in an increase of US\$747,312.
- (5) Existing equity of US\$5,831,000 plus US\$747,312 resulting from the issue of the Convertible Loan Notes less subscription expenses of US\$73,000.

### 5.5. Earnings

The interest expense in respect of the Convertible Loan Notes prior to any conversion will be at the effective rate of 9.0% per annum, plus amortization of the fair value of the conversion rights recorded on the date of issue. However, it is not possible to quantify the effects of the Convertible Loan Notes on the earnings of the Group until the proceeds from the issue of the Convertible Loan Notes have been fully deployed.

## 6. RATIONALE FOR THE PROPOSED ISSUE AND USE OF PROCEEDS

The proceeds from the issue of the Convertible Loan Notes of approximately S\$1,020,500 is, after deducting expenses incurred in connection with the Proposed Issue, including costs associated with the issue and allotment of New Shares, legal fees, convening of the EGM and other ancillary costs, expected to amount to approximately S\$920,500 (the "**CLN Net Proceeds**"). As stated in Section 3.4 above, the aggregate Subscription Price of S\$513,500 payable by the Restricted Persons will be offset by the outstanding amount owing by the Company to each of them for outstanding director fees, salary and expense reimbursement, as well as the AIPL Loan from Mr. Paul C Burke.

Assuming full exercise of the Warrants, the proceeds from the exercise of the Warrants of approximately S\$1,020,500 is, after deducting expenses incurred in connection with the Proposed Issue, expected to amount to approximately S\$1,012,500 (the "**Warrants Net Proceeds**").

The Directors are of the opinion that, after taking into consideration the Group's present bank facilities, cash position and short-term loans, the working capital available to the Group is sufficient to meet its present requirements. However, the SPC-related business and the ADR-related business are the twin engines of growth for the Group. The IDRS services business which is the main revenue driver of the SPC-related business is showing encouraging potential and gaining commercial traction. In parallel, the Company also notes that the sales of its proprietary SDR module and ADRS 1000 module, which are both the main revenue drivers of the ADR-related business, have been achieving positive levels of success with growing interest from both existing and potential customers. In light of the above, the Company deems it necessary to undertake the Proposed Issue to raise funds to strengthen its balance sheet as well as to meet its funding and working capital requirements.

The Company intends to utilise the CLN Net Proceeds in the following proportions:

Use of Net Proceeds	Proportion (%)	Amount of Net Proceeds (\$)
---------------------	----------------	-----------------------------



## LETTER TO SHAREHOLDERS

Repayment of the AIPL Loan <sup>(1)</sup>	35	323,320
Working capital for payroll and amount due to directors <sup>(2)</sup>	45	343,200
Working capital for corporate expenses <sup>(3)</sup> and materials used in production	20	253,980
<b>Total</b>	<b>100</b>	<b>920,500</b>

**Notes:-**

- (1) The AIPL Loan was granted by Mr. Paul C Burke to Addvalue Innovation Pte Ltd, a wholly-owned subsidiary of the Company, in the principal amount of US\$200,000 (approximately S\$274,000), and has a two-month term with an interest rate of 3% per month. The interest payable thereon is US\$36,000 (approximately S\$49,320).
- (2) As stated in Section 3.4 above, the aggregate Subscription Price of S\$513,500 payable by the Restricted Persons will be offset by the outstanding amount owing by the Company to each of them for outstanding director fees, salary and expense reimbursement, as well as the AIPL Loan from Mr. Paul C Burke. After deducting the amount of the AIPL Loan as disclosed in Note (1) above, the remaining S\$190,180 will be allocated for such purpose.
- (3) Including professional fees, compliance fees and rental costs.

The Company intends to utilise the Warrants Net Proceeds in the following proportions:

Use of Net Proceeds	Proportion (%)	Amount of Net Proceeds (\$)
Working capital for payroll expenses	78	800,000
Working capital for corporate expenses <sup>(1)</sup> and materials used in production	22	212,500
<b>Total</b>	<b>100</b>	<b>1,012,500</b>

**Note:-**

- (1) Including professional fees, compliance fees and rental costs.

Pending the use of the CLN Net Proceeds and the Warrants Net Proceeds from the Proposed Issue as outlined above, the CLN Net Proceeds and/or the Warrants Net Proceeds may be deposited in financial institutions or be used for working capital or any other purpose on a short-term basis.

The Company will make periodic announcements as and when the CLN Net Proceeds and/or the Warrants Net Proceeds are materially disbursed and whether the disbursements are in accordance with the use of proceeds as stated in this announcement.

The Company will also provide a status report on the use of the CLN Net Proceeds and/or the Warrants Net Proceeds in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation. Where the CLN Net Proceeds and/or the Warrants Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the CLN Net Proceeds and/or the Warrants Net Proceeds have been applied in the Company's announcements and annual report.

---

## LETTER TO SHAREHOLDERS

---

Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

### 7. INTERESTED PERSON TRANSACTIONS

- 7.1. The Restricted Persons, being Directors of the Company, are also Interested Persons for the purpose of Chapter 9 of the Listing Manual. Accordingly, the Proposed Issue to Restricted Persons is an Interested Person Transaction.
- 7.2. On 5 December 2023, the Company sought guidance from the SGX-ST pursuant to Rule 905(4) and Rule 906(3) of the Listing Manual on the appropriate benchmark to calculate the relevant thresholds in Rule 905(1), Rule 905(2) and Rule 906(1) respectively, which may be based on its market capitalisation, on the basis that the Group's latest audited NTA was negative. In particular, the Company represented in its written submission that:
- (a) NTA does not adequately reflect the value of the Group. Being a telecommunication design and development company, the Group is not an asset-based company. Rather (chiefly as a design house), it is a company whose key assets are its people. Other than being captured indirectly as intangible assets through the accounting for development expenditures, the values of the staff of the Group are only partially recorded at cost in the financial statements (with their true values not being fully reflected in the financial statements of the Group), thereby giving rise to a low or even negative NTA; and
  - (b) Market capitalisation will better reflect the value of the Group in the absence of a positive NTA. The Company's prevailing market capitalisation of about S\$32.42 million better reflects the market perception of its value in the absence of a positive NTA. In addition, market capitalisation is an objective benchmark for investors as compared with other valuation methodology such as price earning ratio and future cash flow, which would entail more assumptions about the Group's future financial performance.

Thereafter, on 24 January 2024, the SGX-ST confirmed that it had no objection to the Company's proposed use of its market capitalisation as at the end of the preceding financial year, instead of the Group's audited NTA pursuant to Rule 905 and Rule 906 of the Listing Manual, for the financial year ending 31 March 2024.

- 7.3. Based on the Group's latest audited consolidated financial statements for FY2023, the NTA of the Group as at 31 March 2023 was approximately S\$(2,142,000). As the latest audited NTA of the Group is a negative figure, the Company will calculate the relevant thresholds in Rule 905(1) and Rule 905(2) of the Listing Manual based on its market capitalisation, which is S\$35.66 million as at 31 March 2023. The aggregate amount at risk to the Company in respect of the Proposed Issue to Restricted Persons of S\$1,119,430 represents approximately 3.14% as at 31 March 2023. The aggregate amount at risk to the Company in respect of the Proposed Issue to Restricted Persons comprises the sum of the following: (a) the Conversion Price of S\$0.013 multiplied by the maximum number of 39,500,000 Conversion Shares to be issued and allotted to the Restricted Persons, being S\$513,500; (b) the Exercise Price of S\$0.013 multiplied by the maximum number of 39,500,000 Warrant Shares to be issued and allotted to the Restricted Persons, being S\$513,500; and (c) the aggregate interest payable on the Convertible Loan Notes to be issued to the Restricted Persons calculated at a rate of 9.0% per annum on the outstanding principal amount of S\$513,500 for a two-year term, being S\$92,430.

## LETTER TO SHAREHOLDERS

7.4. Accordingly, the Proposed Issue to Restricted Persons requires immediate announcement under Rule 905(1) of the Listing Manual but does not require approval from Shareholders under Rule 906(1) of the Listing Manual.

7.5. Other than the Proposed Issue to Restricted Persons, there are no Interested Person Transactions with a value exceeding S\$100,000 entered into by the Group with any Interested Person during the financial year ending 31 March 2024 up to the Latest Practicable Date.

### 8. ISSUANCE OF SECURITIES FOR THE PAST 24 MONTHS

For details relating to the issuance of securities by the Company for the past 24 months, please refer to [Appendix B](#).

### 9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

#### 9.1. Directors' Interests

As at the Latest Practicable Date, the Directors' interests in Shares as recorded in the Register of Directors' Shareholdings are as follows:

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	(%) <sup>(1)</sup>	No. of Shares	(%) <sup>(1)</sup>	No. of Shares	(%) <sup>(1)</sup>
Mr. Tan Khai Pang	36,201,000	1.12	Nil	Nil	36,201,000	1.12
Mr. Paul Clark Burke	137,726,406	4.25	Nil	Nil	137,726,406	4.25
Mr. Wong Ming Ghee, Bernard	6,000,000	0.19	2,000,000 <sup>(2)</sup>	0.06	8,000,000	0.25
Mr. Richard John Denny	5,500,000	0.17	Nil	Nil	5,500,000	0.17
Mr. Chua Chwee Koh	7,834,900	0.24	Nil	Nil	7,834,900	0.24
Ms. Goh Liang Choo	Nil	Nil	Nil	Nil	Nil	Nil

#### Notes:

- (1) Based on the issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 3,242,032,092 Shares.
- (2) Mr. Wong Ming Ghee, Bernard is deemed interested in the 2,000,000 Shares held by his spouse.

#### 9.2. Substantial Shareholders' Interests

As at the Latest Practicable Date, the Substantial Shareholders' interests in Shares as recorded in the Register of Substantial Shareholders are as follows:

Substantial Shareholder	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	(%) <sup>(1)</sup>	No. of Shares	(%) <sup>(1)</sup>	No. of Shares	(%) <sup>(1)</sup>
Economic Development Innovations Singapore Pte. Ltd.	196,700,000	6.07	Nil	Nil	196,700,000	6.07
Wang Yu Huei	160,399,700	5.95	6,807,733 <sup>(2)</sup>	0.23	167,207,433	5.16

---

## LETTER TO SHAREHOLDERS

---

### Notes:

- (1) Based on the issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 3,242,032,092 Shares.
- (2) Mr. Wang Yu Huei is deemed interested in the 6,807,733 Shares held by Asdew Acquisitions Pte Ltd, an investment holding company whereby he is the major shareholder.

### 9.3. Interests of Directors and Substantial Shareholders

The Directors, as Subscribers, are directly interested in the Proposed Issue to Restricted Persons. Save for their respective shareholdings in the Company, none of the Substantial Shareholders or their respective associates has any interest, direct or indirect, in the Proposed Issue to Restricted Persons.

## 10. DIRECTORS' RECOMMENDATION

As the Directors are directly interested in the Proposed Issue to Restricted Persons, they will abstain from making any voting recommendations to Shareholders relating to the Proposed Issue to Restricted Persons.

## 11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is available on <https://www.addvaluetech.com/EGM>, will be held 202 Bedok South Ave 1, Singapore 469332 (Block A, Seminar Room) on 6 March 2024 at 10.00 a.m. for the purpose of considering and, if thought fit, passing (with or without any modification) the Ordinary Resolutions set out in the Notice of EGM. The Ordinary Resolutions are not inter-conditional on each other.

## 12. ACTION TO BE TAKEN BY SHAREHOLDERS

### 12.1. Submission of Proxy Forms

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of EGM. A Proxy Form must be submitted to the Company in the following manner:

- (a) if sent by post, be mailed to 202 Bedok South Ave 1 #01-11, Singapore 469332; or
- (b) if submitted electronically, be submitted via email to [proxyform@addvalue.com.sg](mailto:proxyform@addvalue.com.sg),

in either case not less than 48 hours before the time appointed for the EGM.

A Shareholder who wishes to submit a Proxy Form must first download (where necessary), complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. In the alternative, a Shareholder may download, complete and authorise the Proxy Form by way of the affixation of an electronic signature, before sending it by email to the email address provided above.

---

## LETTER TO SHAREHOLDERS

---

### 12.2. Depositor

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP, 72 hours before the time appointed for holding the EGM.

### 13. ABSTENTION FROM VOTING

Rule 804 of the Listing Manual provides that a director and his associates must abstain from voting on any shareholders' resolutions approving the specific allotment to such director or his associates. In addition, Rule 812(2) of the Listing Manual provides that persons falling under Rule 812(1) of the Listing Manual and their associates must abstain from voting on any shareholders' resolutions approving the placement to themselves.

Accordingly, all the Directors (excluding Ms. Goh Liang Choo) shall abstain, and shall procure that his associates and nominees abstain, from voting at the EGM in respect of the Ordinary Resolutions relating to the allotment and issue of securities to each of them.

Ms. Goh Liang Choo is not an existing Shareholder and as at the Latest Practicable Date, is not directly or indirectly interested in any Shares. To the extent applicable, she shall procure that her associates and nominees abstain from voting at the EGM in respect of Ordinary Resolution 4.

In addition, all the Directors will decline to accept, and will procure that their associates will decline to accept, appointment as proxies to vote at the EGM.

### 14. 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, copies of the following documents are 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 Circular:

- (a) the Subscription Agreements;
- (b) the FY2023 Annual Report.

To make an appointment, please send request to [appointment@addvalue.com.sg](mailto:appointment@addvalue.com.sg).

### 15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and confirm after making all reasonable enquires that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Company and its subsidiaries, and the Proposed Issue to Restricted Persons, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information 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

---

**LETTER TO SHAREHOLDERS**

---

that such information has been accurately and correctly extracted from these sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully

For and on behalf of the Board of Directors of  
**ADDAVALUE TECHNOLOGIES LTD**

Tan Khai Pang  
Chief Executive Officer and Executive Director

---

## APPENDIX A – ADJUSTMENT EVENTS

---

### Convertible Loan Notes

Set out below are extracts from the Conditions relating to adjustment events in respect of the Convertible Loan Notes to be issued to the Restricted Persons and the Non-Restricted Persons.

#### **5.3 Adjustments to Conversion Price**

The Conversion Price will be subject to adjustment in certain events occurring after the Issue Date as set out in this **Condition 5.3** (*Adjustments to Conversion Price*):

**5.3.1** *Consolidation, Subdivision or Reclassification*: If and whenever there shall be an alteration to the number of Shares in issue as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Shares in issue immediately before such alteration; and
- B is the aggregate number of Shares in issue immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

**5.3.2** *Capitalisation of profits or reserves*:

(a) If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of the Shares (the “**Shareholders**”) by way of capitalisation of profits or reserves, including Shares paid up out of distributable profits or reserves (including a free distribution or bonus issue of Shares) other than a Scrip Dividend and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Shares in issue immediately before such issue;  
and
- B is the number of Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of the Shares, or if a Record Date is fixed therefor, immediately after such Record Date.

(b) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price (as defined in **Condition 5.4.3**) of such Shares on the last full Trading Day preceding the date of announcement of the terms of such issue exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

---

## APPENDIX A – ADJUSTMENT EVENTS

---

where:

- A is the aggregate number of Shares in issue immediately before such Scrip Dividend;
- B is the aggregate number of Shares issued by way of such Scrip Dividend multiplied by a fraction which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is such Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and
- C is the aggregate number of Shares issued by way of such Scrip Dividend.

Or by making such other adjustment to the Conversion Price to give effect to the foregoing as an Independent Adviser shall certify to the Noteholders is fair and reasonable.

Such adjustment shall become effective on the date of issue of such Shares or if a Record Date is fixed therefor, immediately after such Record Date.

- 5.3.3** *Capital Distribution*: If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (except where the Conversion Price falls to be adjusted under **Condition 5.3.2** (*Capitalisation of profits or reserves*) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last full Trading Day preceding the date on which the Capital Distribution is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is made, or if a Record Date is fixed therefor, immediately after such Record Date.

- 5.3.4** *Rights Issues of Shares or Options over Shares*: If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 90 per cent. of the Current Market Price per Share on the last full Trading Day preceding the date of the announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate number of Shares in issue immediately before such announcement;



---

## APPENDIX A – ADJUSTMENT EVENTS

---

- B is the number of Shares which the aggregate amount (if any) receivable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant of such rights, options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be), or if a Record Date is fixed therefor, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be on the Relevant Stock Exchange.

- 5.3.5** *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class by way of rights, or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last full Trading Day preceding the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be), or if a Record Date is fixed therefor, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be on the Relevant Stock Exchange.

- 5.3.6** *Issues at less than Current Market Price:* If and whenever the Issuer shall issue (otherwise than as mentioned in **Condition 5.3.4** (*Rights Issues of Shares or Options over Shares*)) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (otherwise as mentioned in **Condition 5.3.4** (*Rights Issues of Shares or Options over Shares*)) options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, in each case at a price per Share which is less than 90 per cent. of the Current Market Price on the last full Trading Day preceding the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

---

## APPENDIX A – ADJUSTMENT EVENTS

---

where:

- A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;
- B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and
- C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Issuer of options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, mean such Shares to be issued, or otherwise made available, assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of such options, warrants or other rights.

- 5.3.7** *Modification of Rights of Conversion etc.*: If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in **Condition 5.3.6** (*Issues at less than Current Market Price*) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 90 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such modification;
- B is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for the Shares to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Shares to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of the right of subscription attached thereto at the modified conversion, exchange or subscription or purchase price or rate but giving credit in such manner as an Independent Adviser considers appropriate (if at all) for any previous adjustment under this **Condition 5.3.7** (*Modification of Rights of Conversion etc.*) or **Condition 5.3.6** (*Issues at less than Current Market Price*), in each case, so as to restore the economic position of the Noteholders, after the occurrence of such events or circumstances, to the same position as if the diluting effect of such events or circumstances had not occurred in order to give effect to the intended results of such adjustment.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

- 5.3.8** *Other Offers to Shareholders*: If and whenever the Issuer or any Subsidiary or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary) any other

---

## APPENDIX A – ADJUSTMENT EVENTS

---

company, person or entity issues, sells or distributes any securities in connection with which an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under **Conditions 5.3.4** (*Rights Issues of Shares or Options over Shares*) or **5.3.5** (*Rights Issues of Other Securities*)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last full Trading Day preceding the date on which such issue is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or delivery of the securities.

**5.3.9** *Other Events*: If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this **Condition 5.3** (*Adjustments to Conversion Price*), or it is determined that an adjustment made pursuant to this **Condition 5.3** (*Adjustments to Conversion Price*) is inappropriate or incorrect, the Issuer shall at its own expense request an Independent Adviser to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, and the date on which such adjustment should take effect and upon such determination by the Independent Adviser such adjustment (if any) shall be made and shall take effect in accordance with such determination, in each case, so as to restore the economic position of the Noteholders, after the occurrence of such events or circumstances, to the same position as if the diluting or concentrative effect of such events or circumstances had not occurred in order to give effect to the intended results of such adjustment, provided that where the events or circumstances giving rise to any adjustment pursuant to this **Condition 5.3** (*Adjustments to Conversion Price*) have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this **Condition 5.3** (*Adjustments to Conversion Price*) as may be advised by the Independent Adviser to be in its opinion appropriate to restore the economic position of the Noteholders, after the occurrence of such events or circumstances, to the same position as if the diluting or concentrative effect of such events or circumstances had not occurred in order to give the intended result.

---

## APPENDIX A – ADJUSTMENT EVENTS

---

### Warrants

Set out below are extracts from the Warrant Conditions relating to adjustment events in respect of the Warrants to be issued to the Restricted Persons and the Non-Restricted Persons.

#### **5. ADJUSTMENTS TO EXERCISE PRICE AND NUMBER OF WARRANTS**

5.1 The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted by the Directors, in consultation with an Approved Bank (at the option of the Company unless otherwise stated herein), in accordance with Condition 5.2, which adjustment shall be certified by the Auditors. The Exercise Price and the number of Warrants held by each Warrantholder shall subject to Conditions 5.3 and 5.4 from time to time be adjusted as provided in these Conditions and the Deed Poll in all or any of the following cases:

5.1.1 an issue by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund but excluding any issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) to the Shareholders;

5.1.2 a Capital Distribution (as defined below) made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);

5.1.3 an offer or invitation made by the Company to the Shareholders under which they may acquire or subscribe for Shares by way of rights, or issue or grant to the Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares; or

5.1.4 an issue (otherwise than pursuant to a rights issue available to all Shareholders, requiring an adjustment under Condition 5.1.3 above, and other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) by the Company of Shares if the Total Effective Consideration (as defined below) for each Share is less than ninety per cent. (90%) of the Last Dealt Price for each Share (calculated as provided below); or

5.1.5 any consolidation, subdivision, reclassification or conversion of Shares.

5.2 Subject to these Conditions (and in particular Condition 5.3) and the Deed Poll, the Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two or more of Conditions 5.1.1 to 5.1.5 or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Approved Bank shall determine):

5.2.1 If and whenever the Company shall make any issue of Shares to its Shareholders credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund, other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) the Exercise Price and the number of Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{\text{-----}} \times P$$

---

## APPENDIX A – ADJUSTMENT EVENTS

---

$$\text{Adjusted number of Warrants} = \frac{A + B}{A} \times W$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Shareholders credited as fully paid by way of capitalisation of profits or reserves (including any capital redemption reserve fund other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);

P = existing Exercise Price; and

W = existing number of Warrants held (as may be adjusted from time to time in accordance with these Conditions).

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

For the purpose of this Condition 5, "**record date**" in relation to the relevant transaction means the date as at the close of business on which Shareholders must be registered as such to participate therein.

### 5.2.2 If and whenever:

- (a) the Company shall make a Capital Distribution (as defined below) to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (b) the Company shall make any offer or invitation to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights or issue or grant to the Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares,

then the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{C - D}{C} \times P$$

and in respect of each case referred to in Condition 5.2.2(b) above, the number of Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{C}{C - D} \times W$$

where:

---

## APPENDIX A – ADJUSTMENT EVENTS

---

C = the average of the Last Dealt Prices on the five (5) Market Days immediately before the date on which the Capital Distribution (as defined below), or any offer or invitation referred to in Condition 5.2.2(b) above, as the case may be, is publicly announced or (failing any such announcement), immediately preceding the date of the Capital Distribution (as defined below) or, as the case may be, of the offer or invitation;

D = (i) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under Condition 5.2.2(b) above, the value of the rights attributable to one Share (as defined below); or (ii) in the case of any other transaction falling within Condition 5.2.2 above, the fair market value, as determined by an Approved Bank (with the concurrence of the Auditors), of that portion of the Capital Distribution (as defined below) or of the nil paid rights attributable to one Share;

P = as in P above; and

W = as in W above.

For the purpose of definition (i) of “D” above the “**value of the rights attributable to one Share**” shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

where:

C = as in C above;

E = the subscription price for one additional Share under the offer or invitation to acquire or subscribe for Shares by way of rights; and

F = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share by way of rights.

For the purposes of Conditions 5.1.2 and 5.2.2(a) above, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Condition 5.2.1) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (including any capital redemption reserve fund other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend).

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue pursuant to Condition 5.2.2.

For the purposes of this Condition 5, “**closing date**” shall mean the date by which acceptance and payment for the Shares is to be made under the terms of such offer or invitation.

5.2.3 If and whenever the Company makes any allotment to its Shareholders as provided in

---

## APPENDIX A – ADJUSTMENT EVENTS

---

Condition 5.2.1 above and also makes any offer or invitation to its Shareholders as provided in Condition 5.2.2(b) above and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Exercise Price and the number of Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{(G \times C) + (H \times E)}{(G + H + B) \times C} \times P$$

$$\text{Adjusted number of Warrants} = \frac{(G + H + B) \times C}{(G \times C) + (H \times E)} \times W$$

Where:

B = as in B above;

C = as in C above;

E = as in E above;

G = the aggregate number of issued and fully paid-up Shares on the record date;

H = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;

P = as in P above; and

W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for the above transactions.

5.2.4 If and whenever (otherwise than pursuant to a rights issue available to all Shareholders alike and requiring an adjustment under Conditions 5.2.2(b) or 5.2.3, and other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than ninety per cent. (90%) of the average Last Dealt Price on the SGX-ST on the five (5) Market Days before the date on which the issue price of such Shares is determined, or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the prior Market Day, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{M + N}{M + O} \times P$$

where:

M = the number of Shares in issue at the close of business on the SGX-ST on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

---

## APPENDIX A – ADJUSTMENT EVENTS

---

N = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at such average Last Dealt Price for the five (5) Market Days immediately preceding the date on which the issue price of such Shares is determined (exclusive of expenses);

O = the aggregate number of Shares so issued; and

P = as in P above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day before the date on which the issue is announced, or (failing any such announcement) before the date on which the Company determines the offering price of such Shares.

For the purpose of Conditions 5.1.4 and 5.2.4, the “**Total Effective Consideration**” shall be determined by the Directors with the concurrence of an Approved Bank and shall be the aggregate consideration receivable by the Company on payment in full for such Shares, without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration for each Share**” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

5.2.5 If, and whenever, consolidation, subdivision, reclassification or conversion of the shares occurs, the Exercise Price and the number of Warrants shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{B} \times P$$

and the number of Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{B}{A} \times W$$

where:

A = as in A above;

B = as in B above;

P = as in P above; and

W = as in W above,

such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation, subdivision or conversion becomes effective.

5.3 Notwithstanding any of the provisions hereinbefore contained, no adjustment to the Exercise Price and the number of Warrants held by each Warrantholder will be required in respect of:



---

## APPENDIX A – ADJUSTMENT EVENTS

---

- 5.3.1 an issue by the Company of Shares or other securities convertible into rights to acquire or subscribe for Shares to officers, including directors, or employees of the Company or any of its subsidiaries or associated companies pursuant to any purchase or option scheme approved by the Shareholders in general meeting;
- 5.3.2 an issue by the Company of Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business;
- 5.3.3 any issue by the Company of Shares pursuant to the exercise of any of the Warrants and any other warrants or the conversion of any convertible securities previously issued by the Company;
- 5.3.4 any issue by the Company of securities convertible into Shares or rights to acquire or subscribe for Shares (other than arising from or by way of rights, bonus or other capitalisation issues) and the issue of Shares arising from the conversion or exercise of such securities or rights, issued subsequent to the issue of Warrants, whether by itself or together with any other issues;
- 5.3.5 the issue by the Company of the Convertible Loan Notes and the issue of Shares arising from the conversion or exercise of the Convertible Loan Notes; or
- 5.3.6 any purchase by the Company of Shares pursuant to any share purchase scheme approved by Shareholders in general meeting subsequent to the issue of Warrants, whether such Shares purchased pursuant to any such share purchase scheme are deemed cancelled or held in treasury.

---

## APPENDIX B – ISSUANCE OF SECURITIES FOR THE PAST 24 MONTHS

---

### 1. January 2022

On 6 January 2022, the Company issued and allotted 263,940,000 new ordinary shares at a placement price of S\$0.0127 per share, as well as 185,240,000 warrants. As at 7 June 2022, all the warrants have been exercised and 185,240,000 warrant shares have been issued. The total net proceeds raised was S\$5.4 million and have been fully utilised.

### 2. May 2022

On 10 May 2022, the Company issued and allotted 169,070,000 new ordinary shares at a placement price of S\$0.0127 per share. The total net proceeds raised was S\$2.15 million and have been fully utilised.

### 3. May – August 2022

On 31 May 2022, 7 July 2022 and 12 August 2022, the Company issued and allotted 228,000,000 new ordinary shares at an optional rights price of S\$0.0127 per share. The net proceeds raised was S\$2.7 million and have been fully utilised.

### 4. August 2022

On 11 August 2022, the Company issued and allotted 135,120,000 new ordinary shares at a placement price of S\$0.0148. The net proceeds raised was S\$2.0 million and has been fully utilised.

### 5. November 2023

On 4 November 2022, the Company issued redeemable convertible bonds (“**RCB**”) in the aggregate principal amount of approximately S\$5.01 million which are convertible, in whole or in part, into up to 294,490,588 new ordinary shares of the Company in the share capital of the Company (the “**RCB Shares**”) at a conversion price of S\$0.17 per RCB Share. The net proceeds raised was S\$4.66 million and has been fully utilised.

