

**CIRCULAR DATED 11 APRIL 2022**

**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/EGM>, and is also available on the SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements>. A printed copy of this Circular will NOT be despatched to Shareholders.

Due to the current COVID-19 situation in Singapore, Shareholders will not be allowed to attend the EGM in person. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. A Shareholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Shareholder wishes to exercise his/her/its voting rights at the EGM.

Alternative arrangements relating to, *inter alia*, attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the EGM, having their questions, in relation to the resolutions tabled at the EGM, addressed at a Virtual Information Session ("**VIS**") to be held prior to the closing date and time for the lodgement of the Proxy Forms prior to the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the notes to the Notice of EGM attached to this Circular.



**ADDVALUE TECHNOLOGIES LTD**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199603037H)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO:**

- (1) THE PROPOSED GRANT OF THE EDIS OPTIONAL SUBSCRIPTION RIGHT TO ECONOMIC DEVELOPMENT INNOVATIONS SINGAPORE PTE. LTD. TO SUBSCRIBE FOR UP TO 315,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN EXERCISE PRICE OF S\$0.0127 PER EDIS OPTIONAL SUBSCRIPTION SHARE AND THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 315,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN EXERCISE PRICE OF S\$0.0127 PER EDIS OPTIONAL SUBSCRIPTION SHARE PURSUANT TO THE EXERCISE OF THE EDIS OPTION;**
- (2) THE PROPOSED GRANT OF THE CKK OPTIONAL SUBSCRIPTION RIGHT TO CHENG KWEE KIANG TO SUBSCRIBE FOR UP TO 110,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN EXERCISE PRICE OF S\$0.0127 PER CKK OPTIONAL SUBSCRIPTION SHARE AND THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 110,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN EXERCISE PRICE OF S\$0.0127 PER CKK OPTIONAL SUBSCRIPTION SHARE PURSUANT TO THE EXERCISE OF THE CKK OPTION; AND**

**(3) THE PROPOSED ALLOTMENT AND ISSUE OF 169,070,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.0127 PER DIRECTORS-EMPLOYEES-BUSINESS ASSOCIATES SUBSCRIPTION SHARES TO CERTAIN DIRECTORS, EMPLOYERS AND BUSINESS ASSOCIATES OF THE GROUP.**

**IMPORTANT DATES AND TIMES**

Last date and time to submit questions for the VIS	:	18 April 2022 at 2.00 p.m.
Last date and time to pre-register online to attend the VIS	:	20 April 2022 at 2.00 p.m.
Date and time of the VIS	:	22 April 2022 at 2.00 p.m.
Last date and time to submit questions for the EGM	:	22 April 2022 at 2.00 p.m.
Last date and time to pre-register online to attend the EGM	:	26 April 2022 at 2.00 p.m.
Last date and time for lodgement of Proxy Form	:	27 April 2022 at 2.00 p.m.
Date and time of Extraordinary General Meeting	:	29 April 2022 at 2.00 p.m.
Place of Extraordinary General Meeting	:	The EGM will be held by way of electronic means

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## DEFINITIONS

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

### **General**

- “Announcements”** : The announcements made by the Company on 5 December 2021 in relation to the Fund Raising Exercise
- “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; or
  - (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
- “Business Day”** : A day (excluding Saturdays, Sundays and gazetted public holidays) on which banks generally are open in Singapore for the transaction of normal banking business
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 11 April 2022
- “CKK”** : Cheng Kwee Kiang
- “CKK Exercise Period”** : Has the meaning ascribed to it in Section 3.3 (*The Proposed Fund Raising Exercise*) of this Circular
- “CKK Loan”** : Has the meaning ascribed to it in Section 3.2 (*Information on CKK*) of this Circular
- “CKK Optional Completion Date”** : Has the meaning ascribed to it in Section 3.3 (*The Proposed Fund Raising Exercise*) of this Circular
- “CKK Optional Subscription Agreement”** : Has the meaning ascribed to it in Section 1.1 (*The Proposed Fund Raising Exercise*) of this Circular
- “CKK Optional Subscription Right”** : Has the meaning ascribed to it in Section 1.1 (*The Proposed Fund Raising Exercise*) of this Circular
- “CKK Optional Subscription Shares”** : Has the meaning ascribed to it in Section 1.1 (*The Proposed Fund Raising Exercise*) of this Circular
- “Committed Net Proceeds”** : Has the meaning ascribed to it in Section 5 (*Rationale and Use of Proceeds*) of this Circular
- “Companies Act”** : The Companies Act 1967 of Singapore as may be amended, modified or supplemented from time to time

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## DEFINITIONS

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<b>“Company”</b>	: Addvalue Technologies Ltd
<b>“Controlling Shareholder”</b>	: A person who: <ul style="list-style-type: none"><li>(a) holds directly or indirectly 15% or more of the total number of issued voting Shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or</li><li>(b) in fact exercises control over the Company</li></ul>
<b>“CPF”</b>	: Central Provident Fund
<b>“CPF Funds”</b>	: CPF investible savings
<b>“CPF Investment Account”</b>	: The investment account maintained with an approved CPF agent bank for the purpose of investment of CPF Funds under the CPFIS – Ordinary Account
<b>“CPFIS”</b>	: CPF Investment Scheme
<b>“CPFIS Members”</b>	: Shareholders who have previously purchased Shares using their CPF Funds under their CPF Investment Accounts
<b>“Director”</b>	: A director of the Company as at the Latest Practicable Date
<b>“Directors-Employees-Business Associates Completion Date”</b>	: Has the meaning ascribed to it in <u>Section 4.3.4</u> ( <i>Completion</i> ) of this Circular
<b>“Directors-Employees-Business Associates Subscription Agreements”</b>	: Has the meaning ascribed to it in <u>Section 1.1</u> ( <i>The Proposed Fund Raising Exercise</i> ) of this Circular
<b>“Directors-Employees-Business Associates Subscription Shares”</b>	: Has the meaning ascribed to it in <u>Section 1.1</u> ( <i>The Proposed Fund Raising Exercise</i> ) of this Circular
<b>“Directors, Employees and Business Associates”</b>	: Has the meaning ascribed to it in <u>Section 1.1</u> ( <i>The Proposed Fund Raising Exercise</i> ) of this Circular
<b>“EDIS”</b>	: Economic Development Innovations Singapore Pte. Ltd.
<b>“EDIS Exercise Period”</b>	: Has the meaning ascribed to it in <u>Section 2.3</u> ( <i>Principal Terms of the EDIS Optional Subscription Right</i> ) of this Circular
<b>“EDIS Optional Completion Date”</b>	: Has the meaning ascribed to it in <u>Section 2.3</u> ( <i>Principal Terms of the EDIS Optional Subscription Right</i> ) of this Circular
<b>“EDIS Optional Subscription Agreement”</b>	: Has the meaning ascribed to it in <u>Section 1.1</u> ( <i>The Proposed Fund Raising Exercise</i> ) of this Circular
<b>“EDIS Optional Subscription Right”</b>	: Has the meaning ascribed to it in <u>Section 1.1</u> ( <i>The Proposed Fund Raising Exercise</i> ) of this Circular
<b>“EDIS Optional Subscription Shares”</b>	: Has the meaning ascribed to it in <u>Section 1.1</u> ( <i>The Proposed Fund Raising Exercise</i> ) of this Circular
<b>“EDIS Subscription Agreement”</b>	: Has the meaning ascribed to it in <u>Section 1.1</u> ( <i>The Proposed Fund Raising Exercise</i> ) of this Circular
<b>“EDIS Subscription</b>	: Has the meaning ascribed to it in <u>Section 1.1</u> ( <i>The Proposed Fund Raising</i>

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## DEFINITIONS

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<b>Shares</b>	: <i>Exercise</i> ) of this Circular
<b>"EGM"</b>	: The extraordinary general meeting of the Company to be convened and held on 29 April 2022 at 2.00 p.m. by way of electronic means, 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>"Fund Raising Exercise"</b>	: Has the meaning ascribed to it in <u>Section 1.1</u> ( <i>The Proposed Fund Raising Exercise</i> ) of this Circular
<b>"FY"</b>	: The financial year of the Company ending 31 March
<b>"Group"</b>	: The Company and its subsidiaries from time to time
<b>"IDRS"</b>	: Inter-Satellite Data Relay System
<b>"Latest Practicable Date"</b>	: 31 March 2022, being the latest practicable date prior to the issue of this Circular
<b>"Listing Manual"</b>	: The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time
<b>"Market Day"</b>	: A day on which the SGX-ST is open for trading of securities
<b>"Net Proceeds"</b>	: Has the meaning ascribed to it in <u>Section 5</u> ( <i>Rationale and Use of Proceeds</i> ) of this Circular
<b>"Notice of EGM"</b>	: The notice of the EGM which is available on <a href="https://www.addvaluetech.com/EGM">https://www.addvaluetech.com/EGM</a> .
<b>"NTA"</b>	: Net tangible assets
<b>"Optional Net Proceeds"</b>	: Has the meaning ascribed to it in <u>Section 5</u> ( <i>Rationale and Use of Proceeds</i> ) of this Circular
<b>"Ordinary Resolution"</b>	: The ordinary resolutions as set out in the Notice of EGM
<b>"Placement Shares"</b>	: Has the meaning ascribed to it in <u>Section 1.1</u> ( <i>The Proposed Fund Raising Exercise</i> ) of this Circular
<b>"Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares"</b>	: The proposed allotment and issue of 169,070,000 Directors-Employees-Business Associates Subscription Shares at the issue price of S\$0.0127, on the terms and subject to the conditions of the respective Directors-Employees-Business Associates Subscription Agreements
<b>"Proposed Grant of the CKK Optional Subscription Right"</b>	: The proposed grant of the CKK Optional Subscription Right to CKK, and the proposed allotment and issue of up to 110,000,000 CKK Optional Subscription Shares at the issue price of S\$0.0127 upon the exercise of the CKK Optional Subscription Right, on the terms and subject to the conditions of the CKK Optional Subscription Agreement
<b>"Proposed Grant of the EDIS Optional Subscription Right"</b>	: The proposed grant of the EDIS Optional Subscription Right to EDIS, and the proposed allotment and issue of up to 315,000,000 EDIS Optional Subscription Shares at the issue price of S\$0.0127 upon the exercise of the EDIS Optional Subscription Right, on the terms and subject to the conditions of the EDIS Optional Subscription Agreement
<b>"Proxy Form"</b>	: The proxy form attached to the Notice of EGM is available on <a href="https://www.addvaluetech.com/EGM">https://www.addvaluetech.com/EGM</a> .
<b>"Register of Directors"</b>	: The register maintained by the Company setting out details of the Directors'

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## DEFINITIONS

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<b>Shareholdings</b>	respective shareholdings
<b>“Register of Members”</b>	: Register of members of the Company
<b>“Register of Substantial Shareholders”</b>	: The register of Substantial Shareholders of the Company
<b>“Restriction Period”</b>	: Has the meaning ascribed to it in <u>Section 2.3</u> ( <i>Principal Terms of the EDIS Optional Subscription Right</i> ) of this Circular
<b>“Securities Account”</b>	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<b>“SFA”</b>	: The Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“SGXNET”</b>	: The system maintained by the SGX-ST for announcements by listed companies
<b>“Share”</b>	: An ordinary share in the capital of the Company, and <b>“Shares”</b> shall be construed accordingly
<b>“Shareholders”</b>	: Registered holders of the Shares, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, where the context admits, mean the Depositors whose Securities Accounts are credited with the Shares
<b>“SRS”</b>	: Supplementary Retirement Scheme
<b>“SRS Approved Banks”</b>	: Approved banks with whom SRS Investors hold their accounts under the SRS
<b>“SRS Investors”</b>	: Investors who have previously purchased Shares under the SRS
<b>“Substantial Shareholder”</b>	: A person (including a corporation) who (a) has an interest or interests in one or more voting shares in a company and (b) the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the company
<b>“VIS”</b>	: Virtual information session
<b>“VWAP”</b>	: Volume weighted average price
<b>“Warrants”</b>	: Has the meaning ascribed to it in <u>Section 1.1</u> ( <i>The Proposed Fund Raising Exercise</i> ) of this Circular
<b>“Warrant Shares”</b>	: Has the meaning ascribed to it in <u>Section 1.1</u> ( <i>The Proposed Fund Raising Exercise</i> ) of this Circular

### **Currencies and Units of Measurement**

<b>“%”</b>	: Per cent or percentage
<b>“S\$” and “cents”</b>	: Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
<b>“US\$”</b>	United States dollars, being the lawful currency of the United States of America

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the respective 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.

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## DEFINITIONS

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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 include corporations.

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 as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or the Listing Manual or any modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof, as the case may be.

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.

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

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.



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## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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Certain statements contained in this Circular, which are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

## ADDVALUE TECHNOLOGIES LTD

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199603037H)

### Directors:

Dr. Colin Chan Kum Lok (Executive Chairman)  
Mr. Tan Khai Pang (Chief Executive Officer)  
Mr. Richard John Denny (Lead Independent Non-Executive Director)  
Mr. Wong Ming Ghee, Bernard (Independent Non-Executive Director)  
Mr. Paul Clark Burke (Non-Executive Director)  
Mr. Chua Chwee Koh (Non-Executive and Non-Independent Director)

### Registered Office:

202 Bedok South Ave 1  
#01-11  
Singapore 469332

11 April 2022

To: The Shareholders of Addvalue Technologies Ltd

Dear Sir / Madam,

- (1) **THE PROPOSED GRANT OF THE EDIS OPTIONAL SUBSCRIPTION RIGHT TO ECONOMIC DEVELOPMENT INNOVATIONS SINGAPORE PTE. LTD. TO SUBSCRIBE FOR UP TO 315,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN EXERCISE PRICE OF S\$0.0127 PER EDIS OPTIONAL SUBSCRIPTION SHARE AND THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 315,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN EXERCISE PRICE OF S\$0.0127 PER EDIS OPTIONAL SUBSCRIPTION SHARE PURSUANT TO THE EXERCISE OF THE EDIS OPTION;**
- (2) **THE PROPOSED GRANT OF THE CKK OPTIONAL SUBSCRIPTION RIGHT TO CHENG KWEE KIANG TO SUBSCRIBE FOR UP TO 110,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN EXERCISE PRICE OF S\$0.0127 PER CKK OPTIONAL SUBSCRIPTION SHARE AND THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 110,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN EXERCISE PRICE OF S\$0.0127 PER CKK OPTIONAL SUBSCRIPTION SHARE PURSUANT TO THE EXERCISE OF THE CKK OPTION; AND**
- (3) **THE PROPOSED ALLOTMENT AND ISSUE OF 169,070,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.0127 PER DIRECTORS-EMPLOYEES-BUSINESS ASSOCIATES SUBSCRIPTION SHARES TO CERTAIN DIRECTORS, EMPLOYERS AND BUSINESS ASSOCIATES OF THE GROUP.**

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## 1. INTRODUCTION

### 1.1. The Proposed Fund Raising Exercise

On 5 December 2021, the Company announced that it had, on 2 December 2021, embarked on and concluded a fund raising exercise (the “**Fund Raising Exercise**”) that secured conditional commitments from new investors, Directors, employees and business associates to subscribe for a total of 433,010,000 new Shares at an issue price of S\$0.0127 per Share. In addition, rights to subscribe for up to 610,240,000 new Shares at the same issue price of S\$0.0127 per Share have been granted in the form of subscription rights and warrants issued free of payment to the new investors.

In connection with the above-mentioned fund raising, the Company had on 2 December 2021 entered into the following subscription agreements:

- (a) a subscription agreement (the “**EDIS Subscription Agreement**”) with EDIS for the issue and allotment of 78,700,000 new Shares (the “**EDIS Subscription Shares**”);
- (b) a further subscription agreement (the “**EDIS Optional Subscription Agreement**”) with EDIS, pursuant to which EDIS has been granted the right to subscribe for a up to a further 315,000,000 new Shares (the “**EDIS Optional Subscription Shares**”) (the “**EDIS Optional Subscription**”).

**Right”);**

- (c) various subscription agreements with a group of investors (whose identities and background are disclosed in the announcements made on 5 December 2021) for the issue and allotment of 185,240,000 new Shares (the **“Placement Shares”**) and 185,240,000 warrants (the **“Warrants”**) (issued free of payment) which when exercised at an exercise price of S\$0.0127 per Warrant, are convertible into up to 185,240,000 new Shares (the **“Warrant Shares”**);
- (d) a subscription agreement (the **“CKK Optional Subscription Agreement”**) with CKK, pursuant to which CKK has been granted the right to subscribe for up to 110,000,000 new Shares (the **“CKK Optional Subscription Shares”**) (the **“CKK Optional Subscription Right”**); and
- (e) various subscription agreements (the **“Directors-Employees-Business Associates Subscription Agreements”**) with certain Directors, employees and business associates of the Group (whose identities and background are disclosed herein and in the previous announcements made on 5 December 2021) (the **“Directors, Employees and Business Associates”**) for the issue and allotment of 169,070,000 new Shares (the **“Directors-Employees-Business Associates Subscription Shares”**).

On 6 January 2022, the Company announced that it had completed the allotment and issue of the 78,700,000 EDIS Subscription Shares, the 185,240,000 Placement Shares and the 185,240,000 Warrants convertible into up to 185,240,000 Warrant Shares.

## 1.2. **Shareholders’ Approval**

The Board is convening an EGM to seek the approval of Shareholders for:

- (a) the Proposed Grant of the EDIS Optional Subscription Right;
- (b) the Proposed Grant of the CKK Optional Subscription Right; and
- (c) the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares, including to certain restricted persons set out in Rule 804 and Rule 812 of the Listing Manual.

## 1.3. **Purpose of this Circular**

The purpose of this Circular is to provide Shareholders with necessary information relating to the Proposed Grant of the EDIS Optional Subscription Right, the Proposed Grant of the CKK Optional Subscription Right and the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares, and to seek Shareholders’ Approval for the Ordinary Resolutions in relation thereto at the EGM.

## 1.4. **Inter-conditionality of the Ordinary Resolutions**

The Directors wish to highlight that the passing of each of the Ordinary Resolutions is not inter-conditional and is independent of the approval for the other Ordinary Resolutions.

## 1.5. **Listing and Quotation**

In connection with the Proposed Grant of the EDIS Optional Subscription Right, the Proposed Grant of the CKK Optional Subscription Right and the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares, the Company has submitted an application to the SGX-ST for the listing and quotation of the EDIS Optional Subscription Shares (assuming the exercise of the EDIS Optional Subscription Right by EDIS), the CKK Optional Subscription Shares (assuming the exercise of

the CKK Optional Subscription Right by CKK) and the Directors-Employees-Business Associates Subscription Shares on the Main Board of the SGX-ST. As announced by the Company on 28 March 2022, the Company had on 28 March 2022 received the approval in-principle from the SGX-ST in respect of the listing and quotation of the EDIS Optional Subscription Shares which may be issued pursuant to the exercise of the EDIS Optional Subscription Right, the CKK Optional Subscription Shares which may be issued pursuant to the exercise of the CKK Optional Subscription Right, and the Directors-Employees-Business Associates Subscription Shares, on the Main Board of the SGX-ST, subject to compliance with the listing requirements of the SGX-ST.

## **2. THE PROPOSED GRANT OF THE EDIS OPTIONAL SUBSCRIPTION RIGHT**

### **2.1. Introduction**

In consideration of EDIS agreeing and committing to subscribe for the EDIS Subscription Shares and extending the issue consideration for the EDIS Subscription Shares in the form of an interest-free loan extended by EDIS to the Company pending completion of the allotment and issue of the EDIS Subscription Shares to help the Company meet its immediate cashflow requirements as well as taking into consideration the expected future working capital requirements of the Group especially as the Group embarks on building and growing its IDRS business, the Company has granted to EDIS the EDIS Optional Subscription Right to further subscribe for up to 315,000,000 EDIS Optional Subscription Shares at the issue price of S\$0.0127 per EDIS Optional Subscription Share on the terms and subject to the conditions of the EDIS Optional Subscription Agreement.

### **2.2. Information on EDIS**

*The information presented herein relating to information on EDIS is based on information provided by EDIS. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this Circular in its proper form and context.*

EDIS is a privately-owned investment and development firm which acquires, invests in and manages businesses that develop specialised solutions to address the needs of the digital economy in areas such as technology, education and job creation. EDIS' investments seek to create positive economic impact and long-term value for its partners. EDIS was introduced to the Company via business networking of its management. More information on EDIS is available at: [www.edis.sg](http://www.edis.sg).

As disclosed in the Company's announcements on 5 December 2021 and 6 January 2022, the Company had, pursuant to the EDIS Subscription Agreement, completed the allotment and issue of the 78,700,000 EDIS Subscription Shares to EDIS on 6 January 2022 at the issue price of S\$0.0127 per EDIS Subscription Share. The 78,700,000 EDIS Subscription Shares were issued to EDIS pursuant to the general share issue mandate obtained by the Company at its annual general meeting held on 29 September 2021. As such, as of the Latest Practicable Date, EDIS holds 78,700,000 Shares.

EDIS' rationale for potentially subscribing for the EDIS Optional Subscription Shares includes the following factors:

- (a) the Group's business, in particular, the successful development of the technology used in its IDRS business, fits the investment objective of EDIS in helping to support and grow businesses that develop specialised solutions to address the needs of the digital economy;
- (b) EDIS recognises the unique positioning of the Group in the satellite and space sector as well as the technology gap that the Group is able to fill with its IDRS technology. EDIS has noted the potential value and growth story that the Group presents in the medium to long term; and
- (c) the fact that the Group as well as the technologies and the intellectual property rights have been Singapore home-grown gives EDIS an added reason to support and help expand and grow the Group.

Based on the confirmation received from EDIS and to the best of the Company's knowledge, save as disclosed herein, none of EDIS and its directors and Substantial Shareholders have any connections (including business relationships) with the Company and its Directors and Substantial Shareholders.

EDIS has confirmed that it is not a person falling within the categories of persons listed in Rule 812 of the Listing Manual.

EDIS has confirmed that it will not hold the EDIS Optional Subscription Right and/or the EDIS Optional Subscription Shares (as the case may be) in trust or as nominee for other persons.

### 2.3. Principal Terms of the EDIS Optional Subscription Right

The principal terms and conditions of the EDIS Optional Subscription Right are summarised as follows:

**Issue Size** : The EDIS Optional Subscription Right grants to EDIS the right to subscribe for up to 315,000,000 EDIS Optional Subscription Shares.

The total issue consideration (assuming that EDIS exercises the EDIS Optional Subscription Right in full) is S\$4,000,500.

**Issue Price** : S\$0.0127 per EDIS Optional Subscription Share.

**Status and Transferability** : The EDIS Optional Subscription Right constitutes a valid as well as legally binding and enforceable obligation of the Company. In the event that EDIS exercises the EDIS Optional Subscription Right, the Company shall be required to issue the 315,000,000 EDIS Optional Subscription Shares on the terms and conditions of the EDIS Optional Subscription Agreement.

The EDIS Optional Subscription Right shall not be listed and quoted on any stock exchange and shall not be transferred (and the rights attached thereto shall not be assigned).

**Completion** : Subject to the terms and conditions of the EDIS Optional Subscription Agreement (including without limit the fulfilment of the conditions precedent stated below), completion in respect of each tranche of the EDIS Optional Subscription Shares is to take place on the date falling three (3) clear market days after a subscription notice is served on the Company in respect of such EDIS Optional Subscription Shares, unless specifically agreed in writing between the parties (an "**EDIS Optional Completion Date**").

**Exercise Period** : The EDIS Optional Subscription Right is exercisable by EDIS serving a subscription notice on the Company during the period of six (6) months after all the conditions precedent set out below have been fulfilled (the "**EDIS Exercise Period**").

The EDIS Optional Subscription Right will expire on the last day of the EDIS Exercise Period.

**Exercise** : Subject to the terms and conditions of the EDIS Optional Subscription Agreement, the EDIS Optional Subscription Right may be exercised by EDIS in its absolute discretion at any time

during the EDIS Exercise Period in one or multiple times in respect of any number of EDIS Optional Subscription Shares by serving a duly completed and signed subscription notice on the Company in accordance with the EDIS Optional Subscription Agreement.

- Adjustment** : It is the commercial agreement between EDIS and the Company that there are to be no anti-dilution provisions. As the EDIS Optional Subscription Right is non-transferable and non-assignable, the Board is of the view that there will be no prejudice to Shareholders.
- Status of EDIS Optional Subscription Shares** : The EDIS Optional Subscription Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to existing Share(s) except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the relevant EDIS Optional Completion Date.
- Notice of Expiry** : The Company shall, not later than one (1) month before the end of the EDIS Exercise Period, announce the expiry date of the EDIS Optional Subscription Right on SGXNET and shall send notice of the said expiry date to the holder of the EDIS Optional Subscription Right at least one (1) month before the said expiry date.
- Alteration to Terms** : Any material amendments to the terms of the EDIS Optional Subscription Agreement after issue to the advantage of the holder of the EDIS Optional Subscription Right shall be approved by Shareholders, except where the amendment is made pursuant to the terms of the issue.
- Liquidation** : The holder of the EDIS Optional Subscription Right shall have no rights in the event the Company goes into liquidation and the EDIS Optional Subscription Right shall *ipso facto* cease and determine thereafter and neither EDIS nor the Company shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the EDIS Optional Subscription Right (save as specifically set out in the EDIS Optional Subscription Agreement).
- Further Issues** : The Company and EDIS have further agreed as follows:
- (a) (save for any issuance of Shares pursuant to the EDIS Subscription Agreement and/or the EDIS Optional Subscription Agreement, or arising from a completion of subscription of Shares or an exercise of any options or rights granted by the Company which are disclosed in the EDIS Subscription Agreement and/or the EDIS Optional Subscription Agreement), the Company shall not allot or issue any Shares to any person or grant to any person the right (whether conditional or otherwise) to call for the creation, redemption, repayment, conversion, issuance or allotment of any Share

(including without limitation any option or right of conversion): (i) at any time during the EDIS Exercise Period; and (ii) (provided that EDIS has exercised the EDIS Optional Subscription Right in respect of at least 50% of the EDIS Optional Subscription Shares), at any time during the period of six (6) months from the date of the last subscription notice served by EDIS on the Company in accordance with the EDIS Optional Subscription Agreement (such period, the “**Restriction Period**”); and

- (b) it will not, during the Restriction Period without the prior written consent of EDIS, such consent not to be unreasonably withheld or delayed, undertake any capital reduction, bonus issue, stock split or do anything to its share capital or reserve or enter into any agreement or undertaking to do the same (otherwise than in accordance with the EDIS Subscription Agreement and/or the EDIS Optional Subscription Agreement).

Save as set out above and subject to the EDIS Optional Subscription Agreement, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but EDIS shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire the Shares.

**Conditions Precedent** : The right of EDIS to serve a subscription notice and to complete the optional subscription thereof shall be conditional upon, *inter alia*, the following:

- (a) approval in principle for the listing and quotation of the EDIS Optional Subscription Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not revoked or amended and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Company;
- (b) the issue and subscription of the EDIS Optional Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the EDIS Optional Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company; and
- (c) the approval of Shareholders for the issue and allotment of the EDIS Optional Subscription Shares to be obtained at an extraordinary general meeting of the Company having been duly obtained and not revoked at the time of completion.

**Governing Law** : Laws of the Republic of Singapore.

## 2.4. Issue Size

Assuming the exercise by EDIS of the EDIS Optional Subscription Right in full, the Company shall issue up to 315,000,000 EDIS Optional Subscription Shares (based on the issue price of S\$0.0127 and assuming no adjustments to the issue price) as follows:

Number of EDIS Optional Subscription Shares	Current shareholding of EDIS (Shares)	Current shareholding of EDIS (%) <sup>(1)</sup>	EDIS Optional Subscription Shares as % of the Existing Share Capital (%) <sup>(1)</sup>	EDIS Optional Subscription Shares as % of the Enlarged Share Capital (%) <sup>(2)</sup>	Total shareholding as a % of the Enlarged Share Capital (%) <sup>(2)</sup>
315,000,000	78,700,000 <sup>(3)</sup>	3.12	12.48	11.09	13.86

### Notes:-

- (1) Based on the issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 2,524,601,975 Shares.
- (2) Based on the enlarged issued and paid up share capital of the Company following the issue and allotment of the EDIS Optional Subscription Shares (but excluding the issue and allotment of the CKK Optional Subscription Shares and the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares) comprising 2,839,601,975 Shares.
- (3) As disclosed in the Company's announcements on 5 December 2021 and 6 January 2022, the Company had, pursuant to the EDIS Subscription Agreement, completed the allotment and issue of the 78,700,000 EDIS Subscription Shares to EDIS on 6 January 2022 at the issue price of S\$0.0127 per EDIS Subscription Share. The 78,700,000 EDIS Subscription Shares were issued to EDIS pursuant to the general share issue mandate obtained by the Company at its annual general meeting held on 29 September 2021. As such, as of the Latest Practicable Date, EDIS holds 78,700,000 Shares.

The allotment and issue of the 315,000,000 EDIS Optional Subscription Shares (assuming the exercise by EDIS of the EDIS Optional Subscription Right in full) will result in EDIS holding an aggregate of 393,700,000 Shares, representing approximately 13.86% of the enlarged issued and paid up share capital of the Company following the issue and allotment of the EDIS Optional Subscription Shares (but excluding the issue and allotment of the CKK Optional Subscription Shares and the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares).

The allotment and issue of the 315,000,000 EDIS Optional Subscription Shares (assuming the exercise by EDIS of the EDIS Optional Subscription Right in full) will result in EDIS becoming a Substantial Shareholder of the Company but will not result in a transfer of controlling interest.

## 2.5. Issue Price

The issue price of S\$0.0127 represents a discount of approximately 3.79% to the VWAP for trades done on the SGX-ST for the last full market day (such date being 26 November 2021) prior to the date on which the EDIS Optional Subscription Agreement was signed. The VWAP is S\$0.0132 per Share.

## 2.6. Authority to Grant the EDIS Optional Subscription Right and to Issue the EDIS Optional Subscription Shares

Rules 805(1) and 824 of the Listing Manual provide that an issuer must obtain the prior approval of shareholders in general meeting for the issuance of shares or convertible securities, unless such shares or convertible securities are issued under a general mandate obtained from shareholders in general meeting.

Accordingly, the Company will be seeking specific Shareholders' approval at the EGM for the Proposed Grant of the EDIS Optional Subscription Right (including the allotment and issue of the EDIS Optional



Subscription Shares) for the purposes of Rules 805(1) and 824 of the Listing Manual.

#### 2.7. **No Underwriter or Placement Agent**

No underwriter or placement agent has been appointed in respect of the Proposed Grant of the EDIS Optional Subscription Right and/or the allotment and issue of the EDIS Optional Subscription Shares.

#### 2.8. **Private Placement**

There will not be any prospectus or offer information statement issued in connection with the Proposed Grant of the EDIS Optional Subscription Right and/or the allotment and issue of the EDIS Optional Subscription Shares as the Proposed Grant of the EDIS Optional Subscription Right and/or the allotment and issue of the EDIS Optional Subscription Shares will be undertaken pursuant to the exemption under Section 272B of the SFA.

### 3. **THE PROPOSED GRANT OF THE CKK OPTIONAL SUBSCRIPTION RIGHT**

#### 3.1. **Introduction**

Pursuant to the CKK Optional Subscription Agreement, the Company has granted to CKK the CKK Optional Subscription Right to subscribe for up to 110,000,000 CKK Optional Subscription Shares at the issue price of S\$0.0127 per CKK Optional Subscription Share on the terms and subject to the conditions of the CKK Optional Subscription Agreement.

#### 3.2. **Information on CKK**

*The information presented herein relating to information on CKK is based on information provided by CKK. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this Circular in its proper form and context.*

CKK is a business associate of the Company and a private investor.

CKK has been supportive of the Group and, at the time when the Group needed critical funding for its operations in mid-2020, had extended a loan of S\$2 million (the "**CKK Loan**"), of which S\$1.42 million in principal remains outstanding. As of the Latest Practicable Date, interest of approximately S\$112,280 has also accrued on the CKK Loan. At the request of the Company, CKK has extended the repayment timeline on more than one occasion to enable the Company to conserve its cash position. Following an invitation from the Company to consider taking an equity stake in the Company and to continue to support the future expansion and growth of the Company, CKK and the Company have reached an agreement pursuant to which the Company grants and CKK accepts such grant of the CKK Optional Subscription Right on the terms and subject to the conditions of the CKK Optional Subscription Agreement. CKK has committed to not requiring the repayment of the CKK Loan pending the exercise of the CKK Optional Subscription Right. In the event that the CKK Optional Subscription Right is exercised, the funds raised will be used to repay and/or offset the amounts due and owing under the CKK Loan.

Based on the confirmation received from CKK and to the best of the Company's knowledge, save as disclosed herein, none of CKK and his Associates have any connections (including business relationships) with the Company and its Directors and Substantial Shareholders.

CKK has confirmed that he is not a person falling within the categories of persons listed in Rule 812 of the Listing Manual.

CKK has confirmed that he will not hold the CKK Optional Subscription Right and/or the CKK Optional

Subscription Shares (as the case may be) in trust or as nominee for other persons.

### 3.3. **Principal Terms of the CKK Optional Subscription Right**

The principal terms and conditions of the CKK Optional Subscription Right are summarised as follows:

- Issue Size** : The CKK Optional Subscription Right grants to CKK the right to subscribe for up to 110,000,000 CKK Optional Subscription Shares.
- The total issue consideration (assuming that CKK exercises the CKK Optional Subscription Right in full) is S\$1,397,000.
- Issue Price** : S\$0.0127 per CKK Optional Subscription Share.
- Status and Transferability** : The CKK Optional Subscription Right constitutes a valid as well as legally binding and enforceable obligation of the Company. In the event that CKK exercises the CKK Optional Subscription Right, the Company shall be required to issue the 110,000,000 CKK Optional Subscription Shares on the terms and conditions of the CKK Optional Subscription Agreement.
- The CKK Optional Subscription Right shall not be listed and quoted on any stock exchange and shall not be transferred (and the rights attached thereto shall not be assigned).
- Completion** : Subject to the terms and conditions of the CKK Optional Subscription Agreement (including without limit the fulfilment of the conditions precedent stated below), completion in respect of each tranche of the CKK Optional Subscription Shares is to take place on the date falling three (3) clear market days after a subscription notice is served on the Company in respect of such CKK Optional Subscription Shares, unless specifically agreed in writing between the parties (a “**CKK Optional Completion Date**”).
- Exercise Period** : The CKK Optional Subscription Right is exercisable by CKK serving a subscription notice on the Company during the period of six (6) months after all the conditions precedent set out below have been fulfilled (the “**CKK Exercise Period**”).
- The CKK Optional Subscription Right will expire on the last day of the CKK Exercise Period.
- Exercise** : Subject to the terms and conditions of the CKK Optional Subscription Agreement, the CKK Optional Subscription Right may be exercised by CKK in his absolute discretion at any time during the CKK Exercise Period in one or multiple times in respect of any number of CKK Optional Subscription Shares by serving a duly completed and signed subscription notice on the Company in accordance with the CKK Optional Subscription Agreement.
- Adjustment** : It is the commercial agreement between CKK and the Company that there are to be no anti-dilution provisions. As the CKK Optional Subscription Right is non-transferable and non-assignable, the Board is of the view that there will be no prejudice to Shareholders.

- Status of CKK Optional Subscription Shares** : The CKK Optional Subscription Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to existing Share(s) except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the relevant CKK Optional Completion Date.
- Notice of Expiry** : The Company shall, not later than one (1) month before the end of the CKK Exercise Period, announce the expiry date of the CKK Optional Subscription Right on SGXNET and shall send notice of the said expiry date to the holder of the CKK Optional Subscription Right at least one (1) month before the said expiry date.
- Alteration to Terms** : Any material amendments to the terms of the CKK Optional Subscription Agreement after issue to the advantage of the holder of the CKK Optional Subscription Right shall be approved by Shareholders, except where the amendment is made pursuant to the terms of the issue.
- Liquidation** : The holder of the CKK Optional Subscription Right shall have no rights in the event the Company goes into liquidation and the CKK Optional Subscription Right shall *ipso facto* cease and determine thereafter and neither CKK nor the Company shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the CKK Optional Subscription Right (save as specifically set out in the CKK Optional Subscription Agreement).
- Further Issues** : Subject to the CKK Optional Subscription Agreement, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but CKK shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire the Shares. The CKK Optional Subscription Agreement does not impose any restrictions on CKK in respect of any further issues.
- Conditions Precedent** : The right of CKK to serve a subscription notice and to complete the optional subscription thereof shall be conditional upon, *inter alia*, the following:
- (a) approval in principle for the listing and quotation of the CKK Optional Subscription Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not revoked or amended and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Company;
  - (b) the issue and subscription of the CKK Optional Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the CKK Optional Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company; and

- (c) the approval of Shareholders for the issue and allotment of the CKK Optional Subscription Shares to be obtained at an extraordinary general meeting of the Company having been duly obtained and not revoked at the time of completion.

**Governing Law** : Laws of the Republic of Singapore.

### 3.4. Issue Size

Assuming the exercise by CKK of the CKK Optional Subscription Right in full, the Company shall issue up to 110,000,000 CKK Optional Subscription Shares (based on the issue price of S\$0.0127 and assuming no adjustments to the issue price) as follows:

Number of CKK Optional Subscription Shares	Current shareholding of CKK (Shares)	Current shareholding of CKK (%) <sup>(1)</sup>	CKK Optional Subscription Shares as % of the Existing Share Capital (%) <sup>(1)</sup>	CKK Optional Subscription Shares as % of the Enlarged Share Capital (%) <sup>(2)</sup>	Total shareholding as a % of the Enlarged Share Capital (%) <sup>(2)</sup>
110,000,000	982,800 <sup>(3)</sup>	0.04	4.36	4.18	4.21

**Notes:-**

- (1) Based on the issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 2,524,601,975 Shares.
- (2) Based on the enlarged issued and paid up share capital of the Company following the issue and allotment of the CKK Optional Subscription Shares (but excluding the issue and allotment of the EDIS Optional Subscription Shares and the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares) comprising 2,634,601,975 Shares.
- (3) CKK had purchased his 982,800 Shares from the open market.

The allotment and issue of the 110,000,000 CKK Optional Subscription Shares (assuming the exercise by CKK of the CKK Optional Subscription Right in full) will result in CKK holding an aggregate of 110,982,800 Shares, representing approximately 4.21% of the enlarged issued and paid up share capital of the Company following the issue and allotment of the CKK Optional Subscription Shares (but excluding the issue and allotment of the EDIS Optional Subscription Shares and the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares).

The allotment and issue of the 110,000,000 CKK Optional Subscription Shares (assuming the exercise by CKK of the CKK Optional Subscription Right in full) will not result in CKK becoming a Substantial Shareholder of the Company or in a transfer of controlling interest in the Company.

### 3.5. Issue Price

The issue price of S\$0.0127 represents a discount of approximately 3.79% to the VWAP for trades done on the SGX-ST for the last full market day (such date being 26 November 2021) prior to the date on which the CKK Optional Subscription Agreement was signed. The VWAP is S\$0.0132 per Share.

### 3.6. Authority to Grant the CKK Optional Subscription Right and to Issue the CKK Optional Subscription Shares

Rules 805(1) and 824 of the Listing Manual provide that an issuer must obtain the prior approval of shareholders in general meeting for the issuance of shares or convertible securities, unless such shares or convertible securities are issued under a general mandate obtained from shareholders in general meeting.

Accordingly, the Company will be seeking specific Shareholders' Approval at the EGM for the Proposed Grant of the CKK Optional Subscription Right (including the allotment and issue of the CKK Optional Subscription Shares) for the purposes of Rules 805(1) and 824 of the Listing Manual.

### 3.7. No Underwriter or Placement Agent

No underwriter or placement agent has been appointed in respect of the Proposed Grant of the CKK Optional Subscription Right and/or the allotment and issue of the CKK Optional Subscription Shares.

### 3.8. Private Placement

There will not be any prospectus or offer information statement issued in connection with the Proposed Grant of the CKK Optional Subscription Right and/or the allotment and issue of the CKK Optional Subscription Shares as the Proposed Grant of the CKK Optional Subscription Right and/or the allotment and issue of the CKK Optional Subscription Shares will be undertaken pursuant to the exemption under Section 272B of the SFA.

## 4. THE PROPOSED ALLOTMENT AND ISSUE OF THE DIRECTORS-EMPLOYEES-BUSINESS ASSOCIATES SUBSCRIPTION SHARES

### 4.1. Introduction

Pursuant to the Directors-Employees-Business Associates Subscription Agreements, the Company has agreed to allot and issue to the Directors, Employees and Business Associates, and the Directors, Employees and Business Associates have agreed to subscribe for, an aggregate of 169,070,000 Directors-Employees-Business Associates Subscription Shares at the issue price of S\$0.0127 for an aggregate consideration of S\$2,147,189 payable in cash, on the terms and subject to the conditions of the Directors-Employees-Business Associates Subscription Agreements.

### 4.2. Information on the Directors, Employees and Business Associates

*The information presented herein relating to information on the Directors, Employees and Business Associates is based on information provided by the respective Directors, Employees and Business Associates. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this Circular in its proper form and context.*

Details on the Directors, Employees and Business Associates and their rationale for subscription to the Directors-Employees-Business Associates Subscription Shares are set out below:

Name of Director, Employee and Business Associate	Details on the Director, Employee and Business Associate	Rationale for Subscription
Mr Chan Kum Lok Colin	One of the co-founders of the Group. Dr Chan is currently Executive Chairman of the Company	Personal investment purposes as well as to align interest as a Director with that of the Group
Mr Tan Khai Pang	One of the co-founders of the Group, Mr Tan is currently Chief Executive Officer of the Company	Personal investment purposes as well as to align interest as a Director with that of the Group
Mr Wong Ming Ghee	An Independent Non-Executive Director of the Company since 29 September 2021. Mr Wong is also the Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee	Personal investment purposes as well as to align interest as a Director with that of the Group

<b>Name of Director, Employee and Business Associate</b>	<b>Details on the Director, Employee and Business Associate</b>	<b>Rationale for Subscription</b>
Mr Richard John Denny	An Independent Non-Executive Director of the Company since May 2018. Mr Denny is also the Chairman of the Audit Committee and Remuneration Committee, and member of the Nominating Committee	Personal investment purposes as well as to align interest as a Director with that of the Group
Mr Paul Clark Burke	A Non-Executive Director of the Company since 29 September 2020	Personal investment purposes as well as to align interest as a Director with that of the Group
Ms Lee Soo Hwee	An employee of the Group since 2004. Ms Lee is the Project Manager managing the IDRS projects of the Group	Personal investment purposes as well as to align interest as an employee with that of the Group
Mr Tan Kiang Peng	An employee of the Group since 1996. Mr Tan Kiang Peng holds the position of Manager in Hardware Engineering, and he leads the Hardware Development team. He is also the Lead Engineer and Project Manager in charge of the Software Defined Radio module project.	Personal investment purposes as well as to align interest as an employee with that of the Group
Mr Ekanayake Mudiyansele Lakshman Ekanayake	An employee of the Group since 1996. Mr Lakshman holds the position of Vice President, Product Management, and is responsible for design engineering services.	Personal investment purposes as well as to align interest as an employee with that of the Group
Mr Chong Kim Ho	An employee of the Group since 2005. Mr Chong holds the position of Manager, Software Development Department, and he leads and oversees the Software Development Team.	Personal investment purposes as well as to align interest as an employee with that of the Group
Mr Tan Suan Yong	An employee of the Group since 2020. Mr Tan holds the position of Senior Manager as Head of Operations, and also leads and oversees the Process and Quality Management team.	Personal investment purposes as well as to align interest as an employee with that of the Group
Ms Chow Choi Fun	An employee of Group since 2010. Ms Chow is the Financial Controller of the Company.	Personal investment purposes as well as to align interest as an employee with that of the Group
Mr Ngo Guan Seng	An employee of the Group since 1997. Mr Ngo holds the position of Manager of Radio Frequency & Antenna Department, and he leads and oversees the RF & Antenna Design Team.	Personal investment purposes as well as to align interest as an employee with that of the Group
Mr Low Boon Leng	An employee of the Group since 2014. Mr Low holds the position of Deputy Chief Technology Officer, and he also leads and oversees the Advance Development and Test Development team.	Personal investment purposes as well as to align interest as an employee with that of the Group
Mr K Kalaivanan	An employee of the Group since 1996. Mr Kalaivanan holds the position of Vice President, Head of Solutions Platform, and is responsible for Integrated Product and managed services.	Personal investment purposes as well as to align interest as an employee with that of the Group
Mr Lim Han Boon	An employee of Group since 2019. Mr Lim is a non-board Finance Director of the Company.	Personal investment purposes as well as to align interest as an employee with that of the Group
Mr Thin Thiam Choy	An employee of the Group since 1997. Mr Thin holds the position of Senior Manager of Supply Chain Operations, and he leads and oversees the Supply Chain operations including procurement.	Personal investment purposes as well as to align interest as an employee with that of the Group
Mr Ooi Kok Rie	A business associate and private investor	Personal investment purposes

Name of Director, Employee and Business Associate	Details on the Director, Employee and Business Associate	Rationale for Subscription
Satex Limited or Eyal Joseph Trachtman as the nominee of and trustee of and on behalf of Satex Limited	A consultant of Addvalue Innovation Pte Ltd ("AVI") in respect of the technical and business development of IDRS since 2014. Mr Trachtman is a highly accomplished visionary and innovative leader in the satellite telecommunications sector with more than 25 years of verifiable track record in forming and directing complex telecommunications programs. He was an R&D director in Inmarsat from 2000 to 2009.	Personal investment purposes

Based on the confirmations received from the Directors, Employees and Business Associates and to the best of the Company's knowledge, save as disclosed herein, each of the Directors, Employees and Business Associates (or its directors or Substantial Shareholders (if applicable)) does not have any connections (including business relationships) with the Company and its Directors and Substantial Shareholders.

Save in respect of the Directors, Employees and Business Associates who are also Directors of the Company (namely, Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Richard John Denny and Mr. Paul Clark Burke), each of the Directors, Employees and Business Associates has confirmed that he or she is not a person falling within the categories of persons listed in Rule 812 of the Listing Manual.

Save for Satex Limited (whereby Mr. Eyal Joseph Trachtman may hold the Directors-Employees-Business Associates Subscription Shares as the nominee of and trustee of and on behalf of Satex Limited), each of the Directors, Employees and Business Associates has confirmed that he or she will not hold the Directors, Employees and Business Associates Subscription Shares in trust or as nominee for other persons.

#### 4.3. **Principal Terms of the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares**

##### 4.3.1. Issue Price

The issue price of S\$0.0127 represents a discount of represents a discount of approximately 3.79% to the VWAP for trades done on the SGX-ST for the last full market day (such date being 26 November 2021) prior to the date on which the Directors-Employees-Business Associates Subscription Agreements were signed. The VWAP is S\$0.0132 per Share.

##### 4.3.2. Status of the Directors-Employees-Business Associates Subscription Shares

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

##### 4.3.3. Conditions Precedent

Completion of the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares shall be conditional upon, *inter alia*, the following:

- (a) approval in-principle for the listing and quotation of the Directors-Employees-Business Associates Subscription Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not revoked or amended and, where such approval is subject to conditions, such conditions being

reasonably acceptable to the respective Directors, Employees and Business Associates;

- (b) the issue and allotment of the Directors-Employees-Business Associates Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Directors-Employees-Business Associates Subscription Agreements by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company;
- (c) the requisite approval of Shareholders being obtained for the issuance of the Directors-Employees-Business Associates Subscription Shares at an EGM of the Company to be convened; and
- (d) there having been, as at the Directors-Employees-Business Associates Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the warranties contained in the Directors-Employees-Business Associates Subscription Agreements if they were repeated on and as of the Directors-Employees-Business Associates Completion Date.

#### 4.3.4. Completion

The completion of the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares shall take place on the date falling three (3) clear market days after the date on which all the conditions set out in the Directors-Employees-Business Associates Subscription Agreements are satisfied or otherwise waived in writing by the relevant party(ies) thereto, which shall not in any case exceed the period of four (4) months from the date of the Directors-Employees-Business Associates Subscription Agreements, whichever is earlier, unless specifically agreed in writing between the parties (the “**Directors-Employees-Business Associates Completion Date**”). The Company has entered into supplemental agreements to the Directors-Employees-Business Associates Subscription Agreements with each of the Directors, Employees and Business Associates to extend the Directors-Employees-Business Associates Completion Date to the date falling three (3) clear market days after the date on which all the conditions set out in the Directors-Employees-Business Associates Subscription Agreements are satisfied or otherwise waived in writing by the relevant party(ies) thereto, which shall not in any case exceed the period of six (6) months from the date of the Directors-Employees-Business Associates Subscription Agreements, whichever is earlier, unless specifically agreed in writing between the parties.

#### 4.4. **Issue Size**

Details of the number of Directors-Employees-Business Associates Subscription Shares to be subscribed by each Director, Employee and Business Associate, the respective consideration to be paid by each Director, Employee and Business Associate and details of the shareholding of each Director, Employee and Business Associate on completion of the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares are set out below:

Name of Subscribers	Number of Directors-Employees-Business Associates Subscription Shares	Consideration (\$)	Employees-Business Associates Subscription Shares as % of the Existing Share Capital <sup>(1)</sup>	Employees-Business Associates Subscription Shares as % of the Enlarged Share Capital <sup>(2)</sup>	Existing Shares held as at the Latest Practicable Date	Total Shareholding as a % of Enlarged Share Capital <sup>(2)</sup>
<b>Directors of the Company</b>						
Dr Chan Kum Lok Colin	4,000,000	50,800.00	0.16	0.15	33,490,000	1.39
Mr Tan Khai Pang	12,800,000	162,560.00	0.51	0.48	23,401,000	1.34
Mr Wong Ming Ghee	4,000,000	50,800.00	0.16	0.15	2,000,000	0.22
Mr Richard John Denny	3,000,000	38,100.00	0.12	0.11	1,500,000	0.17
Mr Paul Clark Burke	63,000,000	800,100.00	2.50	2.34	74,726,406	5.11



Name of Subscribers	Number of Directors-Employees-Business Associates Subscription Shares	Consideration (\$)	Employees-Business Associates Subscription Shares as % of the Existing Share Capital <sup>(1)</sup>	Employees-Business Associates Subscription Shares as % of the Enlarged Share Capital <sup>(2)</sup>	Existing Shares held as at the Latest Practicable Date	Total Shareholding as a % of Enlarged Share Capital <sup>(2)</sup>
<b>Staff of the Group</b>						
Ms Lee Soo Hwee	3,000,000	38,100.00	0.12	0.11	2,600,000	0.21
Mr Tan Kiang Peng	3,600,000	45,720.00	0.14	0.13	8,000,000	0.43
Mr Ekanayake Mudiyanseleage Lakshman Ekanayake	4,000,000	50,800.00	0.16	0.15	2,700,000	0.25
Mr Chong Kim Ho	3,000,000	38,100.00	0.12	0.11	13,000	0.11
Mr Tan Suan Yong	1,400,000	17,780.00	0.06	0.05	0	0.05
Ms Chow Choi Fun	5,000,000	63,500.00	0.2	0.19	4,135,900	0.34
Mr Ngo Guan Seng	3,000,000	38,100.00	0.12	0.11	1,086,000	0.15
Mr Low Boon Leng	4,200,000	53,340.00	0.17	0.16	8,500,000	0.47
Mr K Kalaivanan	3,500,000	44,450.00	0.14	0.13	2,702,000	0.23
Mr Lim Han Boon	4,000,000	50,800.00	0.16	0.15	18,915,900	0.85
Mr Thin Thiam Choy	5,200,000	66,040.00	0.21	0.19	890,700	0.23
<b>Others</b>						
Mr Ooi Kok Rie (a creditor)	39,370,000	499,999.00	1.56	1.46	0	1.46
Satex Limited or Mr Eyal Joseph Trachtman as the nominee of and trustee of and on behalf of Satex Limited (a consultant)	3,000,000	38,100.00	0.12	0.11	6,666,666	0.36
<b>Total</b>	<b>169,070,000</b>	<b>2,147,189</b>	<b>6.73</b>	<b>6.28</b>	<b>191,327,572</b>	<b>13.37</b>

**Notes:-**

- (1) Based on the issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 2,524,601,975 Shares.
- (2) Based on the enlarged issued and paid up share capital of the Company following the issue and allotment of the 169,070,000 Directors-Employees-Business Associates Subscription Shares (but excluding the issue and allotment of the EDIS Optional Subscription Shares and the CKK Optional Subscription Shares) comprising 2,693,671,975 Shares.

Save for Mr. Paul Clark Burke, who will become a Substantial Shareholder of the Company, the allotment and issue of the Directors-Employees-Business Associates Subscription Shares will not result in any of the Directors, Employees and Business Associates becoming a Substantial Shareholder of the Company or result in a transfer of controlling interest in the Company.

**4.5. Authority to Issue the Directors-Employees-Business Associates Subscription Shares**

Rule 805(1) of the Listing Manual provides that an issuer must obtain the prior approval of shareholders in general meeting for the issuance of shares or convertible securities, unless such shares or convertible securities are issued under a general mandate obtained from shareholders in general meeting.

Accordingly, the Company will be seeking specific Shareholders' approval at the EGM for the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares for the purpose of Rule 805(1) of the Listing Manual.

#### 4.6. Rules 804 and 812 of the Listing Manual

Rule 804 of the Listing Manual provides 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 unless shareholders in general meeting have approved the specific allotment.

Rules 812(1) and 812(2) of the Listing Manual provide that an issue must not be placed to, inter alia, an issuer's directors unless specific shareholders' approval is obtained for such placement.

In view that Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Richard John Denny and Mr. Paul Clark Burke are Directors of the Company, the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares to each of them respectively is subject Shareholders' approval at the EGM.

Each of Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Richard John Denny and Mr. Paul Clark Burke and their respective Associates will abstain from voting from the respective Ordinary Resolution relating to the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares to each of them respectively.

#### 4.7. Interested Person Transaction

As Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Richard John Denny and Mr. Paul Clark Burke are Directors of the Company, they are each interested persons and the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares to each of them respectively are interested person transactions under Chapter 9 of the Listing Manual.

Pursuant to Rule 906(1)(a) of the Listing Manual, Shareholders' approval is required for a transaction between the Group and an interested person if the value of the transaction amounts to 5% or more of the Group's latest audited NTA.

Based on the audited consolidated financial statements of the Group for FY2021, the NTA of the Group is negative S\$2,393,470. As the NTA of the Group is negative, the Company has consulted the SGX-ST pursuant to Rules 905(4) and 906(3) of the Listing Manual on the appropriate benchmark to calculate the relevant thresholds. In connection thereto, the SGX-ST has confirmed that the Company may use its market capitalisation as at the end of the preceding financial year as the benchmark to calculate the relevant thresholds.

##### Dr. Chan Kum Lok Colin

The aggregate consideration of the Directors-Employees-Business Associates Subscription Shares subscribed by Dr. Chan Kum Lok Colin is S\$50,800, which represents approximately 0.11% of the Company's market capitalisation as at the end of FY2021.

There are no other transactions entered into by the Group with Dr. Chan Kum Lok Colin for FY2022 up to the Latest Practicable Date.

##### Mr. Tan Khai Pang

The aggregate consideration of the Directors-Employees-Business Associates Subscription Shares subscribed by Mr. Tan Khai Pang is S\$162,560, which represents approximately 0.34% of the Company's market capitalisation as at the end of FY2021.

There are no other transactions entered into by the Group with Mr. Tan Khai Pang for FY2022 up to the Latest Practicable Date.

#### Mr. Wong Ming Ghee

The aggregate consideration of the Directors-Employees-Business Associates Subscription Shares subscribed by Mr. Wong Ming Ghee is S\$50,800, which represents approximately 0.11% of the Company's market capitalisation as at the end of FY2021.

There are no other transactions entered into by the Group with Mr. Wong Ming Ghee for FY2022 up to the Latest Practicable Date.

#### Mr. Richard John Denny

The aggregate consideration of the Directors-Employees-Business Associates Subscription Shares subscribed by Mr. Richard John Denny is S\$38,100, which represents approximately 0.08% of the Company's market capitalisation as at the end of FY2021.

There are no other transactions entered into by the Group with Mr. Richard John Denny for FY2022 up to the Latest Practicable Date.

#### Mr. Paul Clark Burke

The aggregate consideration of the Directors-Employees-Business Associates Subscription Shares subscribed by Mr. Paul Clark Burke is S\$800,100, which represents approximately 1.69% of the Company's market capitalisation as at the end of FY2021.

The total estimated value of all transactions entered into by the Group with Mr. Paul Clark Burke for FY2022 (assuming all interest accrued up to 31 March 2022 and including the proposed subscription by Mr. Paul Clark Burke to the Directors-Employees-Business Associates Subscription Shares), comprising interest on a convertible loan note<sup>(1)</sup>, interest on a short-term loan<sup>(2)</sup> and the consideration for the Directors-Employees-Business Associates Subscription Shares, is approximately S\$1,306,317, which represents approximately 2.77% of the Company's market capitalisation as at the end of FY2021.

#### Notes:-

- (1) The estimated interest for FY2022 (assuming all interest accrued up to 31 March 2022) comprises S\$276,000 (FY2021: S\$138,378) accrued on a convertible loan note of S\$3.45 million granted since 6 August 2019 by Mr. Paul Clark Burke to the Company (the "**Convertible Loan Note**").
- (2) The estimated interest for FY2022 (assuming all interest accrued up to 31 March 2022) comprises S\$230,217 (FY2021: S\$43,426) accrued on a short-term loan of US\$400,000 granted since 17 February 2020 by Mr. Paul Clark Burke to the Company (the "**Short-Term Loan**").

As at the Latest Practicable Date, the total value of all transactions entered into by the Group with Mr. Paul Clark Burke for FY2022 (excluding the proposed subscription by Mr. Paul Clark Burke to the Directors-Employees-Business Associates Subscription Shares) is approximately S\$506,217, which represents approximately 1.07% of the Company's market capitalisation as at the end of FY2021. The total value of the transactions comprise S\$276,000 interest on the Convertible Loan Note and S\$230,217 interest on the Short-Term Loan.

As such, the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares to Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Richard John Denny and Mr. Paul Clark Burke is not subject to Shareholders' approval pursuant to Rule 906 of the Listing Manual as none of the transactions exceed 5% of the Company's market capitalisation as at the end of FY2021.

The total value of all interested person transactions entered into by the Company for FY2022 (excluding transactions less than S\$100,000 and excluding the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares) up to the Latest Practicable Date is approximately

S\$506,217, which represents approximately 1.07% of the Company's market capitalisation as at the end of FY2021

Each of Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Richard John Denny and Mr. Paul Clark Burke has recused and will recuse himself from all of the Board's deliberations and decision-making processes relating to any matter concerning the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares to each of themselves respectively.

Each of Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Richard John Denny and Mr. Paul Clark Burke and their Associates will also abstain from voting on the respective Ordinary Resolutions relating to the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares to each of themselves respectively at the EGM.

#### 4.8. **Statement of the Audit Committee**

The Audit Committee of the Company, after taking into consideration the rationale and terms of the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares to Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Richard John Denny and Mr. Paul Clark Burke, is of the opinion that the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares to Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Richard John Denny and Mr. Paul Clark Burke is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

#### 4.9. **No Underwriter or Placement Agent**

No underwriter or placement agent has been appointed in respect of the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares.

#### 4.10. **Private Placement**

There will be not be any prospectus or offer information statement issued in connection with the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares as the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares will be undertaken pursuant to the exemption under Section 272B of the SFA.

### 5. **RATIONALE AND USE OF PROCEEDS**

The Company has decided to undertake the Fund Raising Exercise as described in this Circular and offer the EDIS Optional Subscription Right, the CKK Optional Subscription Right and the Directors-Employees-Business Associates Subscription Shares to the investors and subscribers for subscription so as to raise funds to retire borrowings, provide liquidity to the Group's working capital, develop new products and technologies and for business expansion.

The estimated net proceeds from the allotment and issue of the Directors-Employees-Business Associates Subscription Shares, net of the estimated expenses of approximately S\$50,000, is approximately S\$2,097,189 (the "**Committed Net Proceeds**"). Assuming that the EDIS Optional Subscription Right and the CKK Optional Subscription Right are fully exercised into EDIS Optional Subscription Shares and CKK Optional Subscription Shares respectively, the estimated amount of additional proceeds, net of the estimated expenses of approximately S\$300,000, is approximately S\$5,097,500 (the "**Optional Net Proceeds**", and together with the Committed Net Proceeds, the "**Net Proceeds**").

On the assumption that the Company receives only the Committed Net Proceeds, the Company intends to deploy the Committed Net Proceeds in the following proportions:

Use of Net Proceeds	Proportion (%)	Amount of Committed Net Proceeds (S\$'000)
Repayment of borrowings	62.0	1,300
Payment of payables	38.0	797
<b>Total</b>	<b>100.0</b>	<b>2,097</b>

On the assumption that the Company receives the Committed Net Proceeds and the Optional Net Proceeds, the Company intends to deploy the Net Proceeds in the following proportions:

Use of Net Proceeds	Proportion (%)	Amount of Net Proceeds (S\$'000)
Repayment of borrowings	40.3	2,900
Payment of payables	20.9	1,500
Working capital of the Group (including materials and testing costs, marketing and administrative expenses) and for business expansion	38.8	2,795
<b>Total</b>	<b>100.0</b>	<b>7,195</b>

The Company will make announcements as to the use of the Net Proceeds as and when such proceeds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds and whether the use of proceeds is in accordance with the stated use and is in accordance with the percentage allocated in the Company's interim and full year financial statements, and the Company's annual report. Where the Net Proceeds are used for general working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and the status reports. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

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

## 6. FINANCIAL EFFECTS

### 6.1. Bases and Assumptions

The financial effects of: (a) the issue of the Directors-Employees-Business Associates Subscription Shares; and (b) the issue of the EDIS Optional Subscription Shares, the CKK Optional Subscription Shares and the Directors-Employees-Business Associates Subscription Shares on the Group are prepared based on the latest available audited accounts of the Group (i.e., the audited financial statements for the financial year ended 31 March 2021).

The financial effects as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following completion.

### 6.2. Earnings Per Share

Assuming the issue of the Directors-Employees-Business Associates Subscription Shares had been completed on 1 April 2020, the effect on the Group's EPS for the financial year ended 31 March 2021 would have been as follows:

	<b>Before the issue of the Directors-Employees-Business Associates Subscription Shares</b>	<b>After the issue of the Directors-Employees-Business Associates Subscription Shares</b>
(Loss) After Taxation and Non-Controlling Interests (US\$'000)	(6,175)	(6,175)
Weighted Average Number of Shares	1,870,441,084	2,039,511,084
EPS (US cents)	(0.33)	(0.30)

Assuming the issue of the EDIS Optional Subscription Shares, the CKK Optional Subscription Shares and the Directors-Employees-Business Associates Subscription Shares had been completed on 1 April 2020, the effect on the Group's EPS for the financial year ended 31 March 2021 would have been as follows:

	<b>Before the issue of the EDIS Optional Subscription Shares, the CKK Optional Subscription Shares and the Directors-Employees-Business Associates Subscription Shares</b>	<b>After the issue of the EDIS Optional Subscription Shares, the CKK Optional Subscription Shares and the Directors-Employees-Business Associates Subscription Shares</b>
(Loss) After Taxation and Non-Controlling Interests (US\$'000)	(6,175)	(6,175)
Weighted Average Number of Shares	1,870,441,084	2,464,511,084
EPS (US cents)	(0.33)	(0.25)

### 6.3. Net Tangible Assets<sup>(1)</sup>

Assuming the issue of the Directors-Employees-Business Associates Subscription Shares had been completed on 31 March 2021, the effect on the Group's NTA for the financial year ended 31 March 2021 would have been as follows:

	<b>Before the issue of the Directors-Employees-Business Associates Subscription Shares</b>	<b>After the issue of the Directors-Employees-Business Associates Subscription Shares</b>
NTA <sup>(1)</sup> attributable to the Shareholders (US\$'000)	(1,779)	(183)
Number of Shares	2,524,601,975	2,693,671,975
NTA per Share (US cents)	(0.07)	(0.01)

Assuming the issue of the EDIS Optional Subscription Shares, the CKK Optional Subscription Shares and the Directors-Employees-Business Associates Subscription Shares had been completed on 31 March 2021, the effect on the Group's NTA for the financial year ended 31 March 2021 would have been as follows:

	<b>Before the issue of the EDIS Optional Subscription Shares, the CKK Optional Subscription Shares and the Directors-Employees-Business Associates Subscription Shares</b>	<b>After the issue of the EDIS Optional Subscription Shares, the CKK Optional Subscription Shares and the Directors-Employees-Business Associates Subscription Shares</b>
NTA <sup>(1)</sup> attributable to the Shareholders (US\$'000)	(1,779)	3,829
Number of Shares	2,524,601,975	3,118,671,975
NTA per Share (US cents)	(0.07)	0.12

**Note:-**

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

**6.4. Net Gearing**

Assuming the issue of the Directors-Employees-Business Associates Subscription Shares had been completed on 31 March 2021, the effect on the Group's net gearing for the financial year ended 31 March 2021 would have been as follows:

	<b>Before the issue of the Directors-Employees-Business Associates Subscription Shares</b>	<b>After the issue of the Directors-Employees-Business Associates Subscription Shares</b>
Total net borrowings (US\$'000)	6,453	6,453
Total equity (US\$'000)	7,862	9,458
Net gearing (times) <sup>(1)</sup>	0.82	0.68

Assuming the issue of the EDIS Optional Subscription Shares, the CKK Optional Subscription Shares and the Directors-Employees-Business Associates Subscription Shares had been completed on 31 March 2021, the effect on the Group's net gearing for the financial year ended 31 March 2021 would have been as follows:

	<b>Before the issue of the EDIS Optional Subscription Shares, the CKK Optional Subscription Shares and the Directors-Employees-Business Associates Subscription Shares</b>	<b>After the issue of the EDIS Optional Subscription Shares, the CKK Optional Subscription Shares and the Directors-Employees-Business Associates Subscription Shares</b>
Total net borrowings (US\$'000)	6,453	6,453
Total equity (US\$'000)	7,862	13,210
Net gearing (times) <sup>(1)</sup>	0.82	0.49

**Notes:-**

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

## 7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

### 7.1. 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>
Dr. Chan Kum Lok Colin	33,490,000	1.33	Nil	Nil	33,490,000	1.33
Mr. Tan Khai Pang	23,401,000	0.93	Nil	Nil	23,401,000	0.93
Mr. Paul Clark Burke	74,726,406	2.96	Nil	Nil	74,726,406	2.96
Mr. Wong Ming Ghee	2,000,000	0.08	2,000,000 <sup>(2)</sup>	0.08	4,000,000	0.16
Mr. Richard John Denny	1,500,000	0.06	Nil	Nil	1,500,000	0.06
Mr. Chua Chwee Koh	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 2,524,601,975 Shares.
- (2) Mr. Wong Ming Ghee is deemed interested in the 2,000,000 Shares held by his spouse.

### 7.2. 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>
-	-	-	-	-	-	-

#### Notes:

- (1) Based on the issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 2,524,601,975 Shares.

### 7.3. Interests of Directors and Substantial Shareholders

Mr. Chua Chwee Koh was nominated by EDIS to be appointed to the Board pursuant to the terms of the EDIS Subscription Agreement. As such, Mr. Chua Chwee Koh has abstained from the Board's deliberations and recommendations to Shareholders in respect of Ordinary Resolution 1 relating to the Proposed Grant of the EDIS Optional Subscription Right.

Save for their respective shareholdings in the Company (if any) and as disclosed in this Circular, none of the Directors, Substantial Shareholders or their respective Associates has any interest, direct or indirect, in the Proposed Grant of the EDIS Optional Subscription Right and/or the allotment and issue of the EDIS Optional Subscription Shares, the Proposed Grant of the CKK Optional Subscription Right and/or the allotment and issue of the CKK Optional Subscription Shares and the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares.

## 8. RECOMMENDATION BY THE DIRECTORS

### Proposed Grant of the EDIS Optional Subscription Right

After having considered and reviewed, *inter alia*, the terms, rationale for and benefits of the Proposed Grant of the EDIS Optional Subscription Right (including the allotment and issue of the EDIS Optional



Subscription Shares), including the reasons set out in this Circular, the Directors (save for Mr. Chua Chwee Koh, who has abstained from the Board's deliberations and recommendations to Shareholders in respect of Ordinary Resolution 1) are of the opinion that the Proposed Grant of the EDIS Optional Subscription Right (including the allotment and issue of the EDIS Optional Subscription Shares) is in the interests of the Company and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution in relation thereto.

#### Proposed Grant of the CKK Optional Subscription Right

After having considered and reviewed, *inter alia*, the terms, rationale for and benefits of the Proposed Grant of the CKK Optional Subscription Right (including the allotment and issue of the CKK Optional Subscription Shares), including the reasons set out in this Circular, the Directors are of the opinion that the Proposed Grant of the CKK Optional Subscription Right (including the allotment and issue of the CKK Optional Subscription Shares) is in the interests of the Company and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution in relation thereto.

#### Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares

After having considered and reviewed, *inter alia*, the terms, rationale for and benefits of the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares, including the reasons set out in this Circular, the Directors (save for each of Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Richard John Denny and Mr. Paul Clark Burke, who have abstained from the Board's deliberations and recommendations to Shareholders in respect of Ordinary Resolutions 3, 4, 5, 6 and 7 respectively)<sup>(1)</sup> are of the opinion that the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares is in the interests of the Company and accordingly recommend that Shareholders vote in favour of the Ordinary Resolutions in relation thereto.

#### Notes:-

- (1) The Directors who are not conflicted in respect of Ordinary Resolution 3 are Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Richard John Denny, Mr. Paul Clark Burke and Mr. Chua Chwee Koh.

The Directors who are not conflicted in respect of Ordinary Resolution 4 are Dr. Chan Kum Lok Colin, Mr. Wong Ming Ghee, Mr. Richard John Denny, Mr. Paul Clark Burke and Mr. Chua Chwee Koh.

The Directors who are not conflicted in respect of Ordinary Resolution 5 are Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Richard John Denny, Mr. Paul Clark Burke and Mr. Chua Chwee Koh.

The Directors who are not conflicted in respect of Ordinary Resolution 6 are Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Paul Clark Burke and Mr. Chua Chwee Koh.

The Directors who are not conflicted in respect of Ordinary Resolution 7 are Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Richard John Denny and Mr. Chua Chwee Koh.

Shareholders, in deciding whether to vote in favour of the Ordinary Resolutions, should read carefully the terms, rationale for and benefits of the Proposed Grant of the EDIS Optional Subscription Right (including the allotment and issue of the EDIS Optional Subscription Shares), the Proposed Grant of the CKK Optional Subscription Right (including the allotment and issue of the CKK Optional Subscription Right) and the Proposed Allotment and Issue of the Directors-Employees-Business Associates Subscription Shares. In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank, solicitor, accountant, tax adviser or other professional advisers.

## **9. EXTRAORDINARY GENERAL MEETING**

The EGM will be held by way of electronic means on 29 April 2022 at 2.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of EGM which is available on <https://www.addvaluetechnology.com/EGM>.

## **10. ACTION TO BE TAKEN BY SHAREHOLDERS**

### **10.1. EGM to be convened by way of electronic means**

Due to the current COVID-19 situation in Singapore, Shareholders will not be allowed to attend the EGM in person. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. 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.addvaluetechnology.com/EGM>, and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. A printed copy of this Circular will NOT be despatched to Shareholders.

### **10.2. Alternative arrangements relating to attendance at the EGM**

Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, having their questions, in relation to the resolutions tabled at the EGM, addressed at a VIS to be held prior to the closing date and time for the lodgement of the Proxy Forms prior to the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the notes to the Notice of EGM.

### **10.3. No attendance in person – appointment of the Chairman of the EGM as proxy**

A Shareholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Shareholder wishes to exercise his/her/its voting rights at the EGM.

The Chairman of the EGM will accept appointment as proxy for any other Shareholder to vote in respect of the Ordinary Resolution where such Shareholder has given specific instructions in a validly completed and submitted Proxy Form as to voting, or abstentions from voting, in respect of the Ordinary Resolution.

CPFIS Members or SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective approved CPF agent banks or SRS Approved Banks to submit their votes by 20 April 2022 at 2.00 p.m., being at least seven (7) working days before the EGM.

### **10.4. Submission of Proxy Forms**

The instrument appointing the Chairman of the EGM as proxy 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.

#### 10.5. **Depositor**

A Depositor shall not be regarded as a Shareholder entitled to appoint the Chairman of the EGM to vote on his behalf at the EGM 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.

#### 11. **ABSTENTION FROM VOTING**

Each of Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Richard John Denny and Mr. Paul Clark Burke, will abstain, and have undertaken to ensure that their respective Associates will abstain, from voting in respect of Ordinary Resolutions 3, 4, 5, 6 and 7 respectively. Further, each of Dr. Chan Kum Lok Colin, Mr. Tan Khai Pang, Mr. Wong Ming Ghee, Mr. Richard John Denny and Mr. Paul Clark Burke shall decline, and shall ensure that their respective Associates decline, to accept appointment as proxies to vote in respect of Ordinary Resolutions 3, 4, 5, 6 and 7 respectively for other Shareholders unless the Shareholders concerned have given specific instructions as to the manner in which their votes are to be cast in respect of Ordinary Resolutions 3, 4, 5, 6 and 7 respectively.

The rest of the Directors, Employees and Business Associates (apart from the Directors as set out in the preceding paragraph) will abstain, and have undertaken to ensure that their respective Associates will abstain, from voting in respect of the respective Ordinary Resolution which proposes to allot the Directors-Employees-Business Associates Subscription Shares to themselves.

#### 12. **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 enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Fund Raising Exercise as described in this Circular, the subscriptions envisaged under the EDIS Optional Subscription Agreement, the CKK Optional Subscription Agreement, the Directors-Employees-Business Associates Subscription Agreements, the EDIS Optional Subscription Shares, the CKK Optional Subscription Shares, the Directors-Employees-Business Associates Subscription Shares and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

#### 13. **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 EDIS Optional Subscription Agreement;
- (b) the CKK Optional Subscription Agreement; and
- (c) the Directors-Employees-Business Associates Subscription Agreements (including the supplemental agreements in relation thereto).

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

Yours faithfully

For and on behalf of the Board  
**Addvalue Technologies Ltd**

Dr Chan Kum Lok Colin  
Executive Chairman