



PLACEMENT OF 135,120,000 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.0148 PER SHARE COMPRISING

- **67,560,000 NEW ORDINARY SHARES TO THEG PTE. LTD.**
 - **67,560,000 NEW ORDINARY SHARES TO OPULENCE INVESTMENT PTE. LTD.**
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1 INTRODUCTION

1.1 The Board of Directors (the "**Board**" or "**Directors**") of Addvalue Technologies Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that the Company has on 6 July 2022 entered into:

- (a) a subscription agreement (the "**THEG Subscription Agreement**") with THEG Pte. Ltd. ("**THEG**") for the issue and allotment of 67,560,000 new ordinary shares (the "**THEG Subscription Shares**") in the capital of the Company ("**Shares**"); and
- (b) a subscription agreement (the "**PYO Subscription Agreement**") with PY Opulence Investment Pte. Ltd. ("**PYO**") for the issue and allotment of 67,560,000 new Shares (the "**PYO Subscription Shares**"),

for the issue and allotment of an aggregate of 135,120,000 Subscription Shares at an issue price of S\$0.0148 per Subscription Share (the "**Issue Price**").

1.2 For the purposes of this announcement:

- the THEG Subscription Agreement and the PYO Subscription Agreement are collectively referred to as the "**Subscription Agreements**", and each, a "**Subscription Agreement**";
- the THEG Subscription Shares and the PYO Subscription Shares are collectively referred to as the "**Subscription Shares**"; and
- THEG and PYO are collectively referred to as the "**Subscribers**", and each, a "**Subscriber**".

2 THE SUBSCRIPTION

2.1 Issue and Allotment of the Subscription Shares

Subject to the terms and conditions of the Subscription Agreements, the Company agrees to allot and issue to the Subscribers, and the Subscribers agree to subscribe for, an aggregate of 135,120,000 Subscription Shares at the Issue Price for an aggregate consideration of S\$1,999,776 payable in cash (the “**Issue Consideration**”) (the “**Subscription**”). The issuance and allotment of the Subscription Shares will not result in a transfer of controlling interest of the Company.

Details of the number of Subscription Shares to be subscribed by each Subscriber, the respective Issue Consideration to be paid by each Subscriber and details of the shareholding of each Subscriber on completion of the Subscription are set out below:

Name of Subscriber	Number of Subscription Shares	Issue Consideration (S\$)	Subscription Shares as a % of the Existing Share Capital ⁽¹⁾	Subscription Shares as a % of the Enlarged Share Capital ⁽²⁾	Total Shareholding as a % of Enlarged Share Capital ⁽²⁾⁽³⁾
THEG Pte. Ltd.	67,560,000	999,888	2.19%	2.10%	2.10%
PY Opulence Investment Pte. Ltd.	67,560,000	999,888	2.19%	2.10%	3.18%
Total	135,120,000	1,999,776	4.38%	4.20%	5.28%

Notes:

- (1) Based on the existing issued and paid-up share capital of the Company as of the date of this announcement comprising 3,086,911,975 Shares (the “**Existing Share Capital**”).
- (2) Based on the enlarged issued and paid-up share capital of the Company following and assuming the allotment and issue of all the 135,120,000 Subscription Shares comprising 3,222,031,975 Shares (the “**Enlarged Share Capital**”).
- (3) As of the date of this announcement, THEG does not hold any Shares and PYO holds 35 million Shares.

2.2 The Issue Price

The Issue Price represents a discount of approximately 1.33% to the volume weighted average price (“**VWAP**”) for trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the full market day on the date on which the Subscription Agreements were signed. The VWAP on the date of the Subscription Agreements was S\$0.015 per Share.

2.3 Nature of the Subscription Shares

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

There is no moratorium imposed on the Subscription Shares.

2.4 Authority to Issue the Subscription Shares

The Subscription Shares shall be allotted and issued pursuant to either the general share issue mandate to issue Shares (the “**Share Issue Mandate**”) to be obtained at the upcoming annual general meeting of the Company for the financial year ended 31 March 2022 or, if required or deemed appropriate or necessary by the Company, pursuant to the approval of shareholders of the Company (“**Shareholders**”) to be obtained at an extraordinary general meeting of the Company to be convened.

2.5 Conditions Precedent

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

- (a) approval in-principle for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not revoked or amended and, where such approval is subject to conditions, such conditions being reasonably acceptable to the each of the Subscribers (in respect of their own respective subscriptions);
- (b) the issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreements by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company;

- (c) the Share Issue Mandate being valid, subsisting and adequate for the purposes of the issue of the Subscription Shares or, if deemed appropriate or necessary by the Company, the requisite approval of Shareholders being obtained for the issuance of the Subscription Shares at an extraordinary general meeting of the Company to be convened; and
- (d) there having been, as at the 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 Subscription Agreements as if they were repeated on and as of the Completion Date.

Each of the Subscribers may (in respect of their own respective subscriptions), and upon such terms as it thinks fit, waive compliance with any of the conditions set forth above and any condition so waived shall be deemed to have been satisfied.

If any of the conditions set forth above are not satisfied within six (6) months from the date of this Agreement, or such other date as the relevant Subscriber and the Company may agree in writing, the obligations of the Company to issue the Subscription Shares shall *ipso facto* cease and determine thereafter and neither the relevant Subscriber nor the Company shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the Subscription, save for any antecedent breach of this Agreement, the parties' respective liability for the payment of expenses provided for in the relevant Subscription Agreement or the repayment of the relevant outstanding amount of the Loan (as described below), if applicable.

2.6 **Loan Disbursement**

Each of the Subscribers shall remit as amount in Singapore dollars equivalent to the their relevant Issue Consideration (which amount will be treated as a loan pending Completion) (the "**Loans**") within sixteen (16) business days from the date of the respective Subscription Agreements to the Company's bank account or by such later date as mutually agreed between the Company and the Subscribers.

The Company agrees to pay interest at the rate of 6% per annum on the Loans for the period commencing on (and including) the date of disbursement of the respective Loans and ending on (and including) the Completion Date, such interest to be paid in cash on the Completion Date.

Against the fulfilment by the Company of its obligations as set out in the Subscription Agreements, the disbursed Loans shall be set off against the respective Issue Consideration due and payable by each of the Subscribers on Completion, whereupon

each of the Subscribers shall be deemed to have fully settled their respective Issue Consideration and their respective Loan shall be deemed to have been fully repaid and discharged.

In the event that Completion does not take place within the period of six (6) months from the date of the respective Subscription Agreements, or such other date as may be mutually agreed upon between the parties, the Issue Consideration shall (to the extent paid by each of the Subscribers to the Company pursuant to the respective Subscription Agreements) be repaid in full (together with interest accrued thereon) by the Company to the relevant Subscriber in accordance with the relevant Subscription Agreement.

2.7 **Completion**

The completion of the Subscription ("**Completion**") shall take place on the date falling three (3) clear market days after the date on which all the conditions set out in the Subscription 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 Subscription Agreements, whichever is earlier, unless specifically agreed in writing between the parties (the "**Completion Date**").

2.8 **No Underwriter or Placement Agent**

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

2.9 **Private Placement**

There will not be any prospectus or offer information statement issued in connection with the issue of the Subscription Shares as the foregoing will be undertaken pursuant to the exemption under Section 272B of the Securities and Futures Act 2001 of Singapore.

2.10 **Additional Listing Application**

The Company will be making applications to the SGX-ST for the listing and quotation of the Subscription Shares on the Mainboard. The Company will make the necessary announcements once the approvals-in-principle for the Subscription Shares have been obtained from the SGX-ST.

3 INFORMATION ON THE SUBSCRIBERS

3.1 Details on the Subscribers and their rationale for subscribing for the Subscription Shares are set out below:

Name of Subscriber	Details on the Subscriber	Rationale for Subscription
THEG Pte. Ltd.	A trading and investment holding company and which is a wholly owned subsidiary of Tamagawa Holdings Co. Ltd., a company listed on the Japan Stock Exchange (www.tmex.co.jp)	The Subscription is for investment purpose
PY Opulence Investment Pte. Ltd.	An investment holding company owned by Mr Xu Shun Cheng, a Singaporean	The Subscription is for investment purpose

3.2 Based on the confirmation received from each of the Subscribers and to the best of the Company's knowledge, save in relation to the Subscription, each of the Subscribers and, where applicable, its directors and/or its shareholders, do not have any connections (including business relationships) with the Company, its Directors and/or its substantial Shareholders. As at the date of this announcement, THEG does not hold any Shares while PYO holds 35 million Shares.

3.3 Each of the Subscribers has confirmed that it is not a person falling within the categories of persons listed in Rule 812 of the SGX-ST Listing Manual.

3.4 Each of the Subscribers has also confirmed that it will not hold any Subscription Shares in trust or as nominee for other persons.

4 FINANCIAL EFFECTS

The *pro forma* financial effects of the issue of the Subscription Shares on the Group are prepared based on the latest audited financial statements of the Group (i.e. the

audited financial statements for the financial year ended 31 March 2021), and are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following Completion.

4.1 Earnings per Share (“EPS”)

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

	As at the date of this announcement	After the issue of the Subscription Shares
(Loss) After Taxation and Non-Controlling Interests (US\$’000)	(6,175)	(6,175)
Weighted Average Number of Shares	2,409,885,819	2,545,005,819
EPS (US cents)	(0.26)	(0.24)

4.2 Net Tangible Assets (“NTA”)⁽¹⁾

Assuming the issue of the Subscription Shares had been completed on 31 March 2021, the effect on the Group’s EPS for the financial year ended 31 March 2021 would have been as follows:

	As at the date of this announcement	After the issue of the Subscription Shares
NTA ⁽¹⁾ attributable to the Shareholders (US\$’000)	(1,779)	(353)
Number of Shares	3,086,911,975	3,222,031,975
NTA per Share (US cents)	(0.06)	(0.01)

Note:

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

4.3 Net Gearing

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

	As at the date of this announcement	After the issue of the Subscription Shares
Total net borrowings (US\$'000)	6,453	6,453
Total equity (US\$'000)	7,862	9,260
Net gearing (times) ⁽¹⁾	0.82	0.70

Note:

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

5 RATIONALE AND USE OF PROCEEDS

- 5.1 The Company has decided to place the Subscription Shares to the Subscribers so as to raise funds to retire a portion of the borrowings and to provide liquidity to the Group's working capital and for business expansion.
- 5.2 The estimated net proceeds from the allotment and issue of the Subscription Shares after deducting expenses incurred in connection with such allotment and issue is expected to amount to approximately S\$1.96 million (the "**Net Proceeds**").
- 5.3 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 portion of the borrowings ⁽¹⁾	51.0%	1,000
Working capital of the Group (including materials and testing costs for order fulfillment, marketing and administrative expenses) and for business expansion	49.0%	960
Total	100.0%	1,960

Note:-

(1) The Net Proceeds are intended to repay a portion of the principal amount and interest accrued on a convertible loan note of S\$3.45 million issued by the Company and subscribed by Mr. Paul Clark Burke on 6 August 2019.

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

6 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement in respect of a portion of the Net Proceeds being intended to be used to repay loan given by Mr. Paul Clark Burke to the Company, none of the Directors and substantial Shareholders have any interests, direct or indirect, in the Subscription, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

In addition, the Subscribers have confirmed that they are not under the control or influence of any of the Directors or substantial Shareholders.

7 DOCUMENTS AVAILABLE FOR INSPECTION

Subject to any applicable control order or regulatory restriction relating to safe distancing which may be issued by the relevant authorities, copies of the Subscription Agreements 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 announcement. To make an appointment, please send request to appointment@addvalue.com.sg.

8 RESPONSIBILITY STATEMENT

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

9 CAUTIONARY STATEMENT

The completion of the Subscription is subject to certain conditions. As of the date of this announcement, there is no certainty or assurance that the Subscription will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are advised to read this

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

10 FORWARD LOOKING STATEMENTS

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

11 FURTHER ANNOUNCEMENTS

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

BY ORDER OF THE BOARD

Dr Colin Chan Kum Lok
Executive Chairman
7 July 2022