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**MATERIAL AUDIT ADJUSTMENTS - IN RESPECT OF THE FINANCIAL RESULTS OF ADDVALUE TECHNOLOGIES LTD (THE "COMPANY") AND ITS SUBSIDIARIES (THE "GROUP") FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 ("FY2023") AS ANNOUNCED BY THE COMPANY ON 30 MAY 2023 (THE "30 MAY 2023 ANNOUNCEMENT") (THE "AUDIT ADJUSTMENTS")**

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The Board of Directors of the Company (the "**Board**") would like to inform that, following the audit carried out by Mazars LLP, (the "**Independent Auditors**") subsequent to the 30 May 2023 Announcement made in respect of the unaudited financial results of the Group for FY2023 (the "**Announced Results**"), Management have made the following Material Audit Adjustments which had been agreed to and accepted by the Independent Auditors and the Board of Directors.

The affected sections of the financial performance and financial position of the Group for FY2023, based on the Announced Results and subsequent to the Material Audit Adjustments, are tabulated as follows:

In respect of the Consolidated Statement of Financial Position of the Group for FY2023

	Audited Results	Based on the Unaudited Announced Results	Change		Note
	US\$'000	US\$'000	US\$'000	%	
Other payables and accruals	2,076	2,298	(222)	(9.7)	1
Borrowings - current	707	485	222	45.8	1
Current liabilities	5,600	5,600	-	-	1
Total borrowings	4,268	4,046	222	5.5	1
Net assets/Total equity	5,831	5,831	-	-	1
Debt-to-Equity (%)	73.2%	69.4%	3.8%	5.5	1

In respect of the Consolidated Statement of Cash Flows of the Group for FY2023

	Audited Results	Based on the Unaudited Announced Results	Change		Note
	US\$'000	US\$'000	US\$'000	%	
Net cash used in operating activities	(2,734)	(2,333)	401	17.2	1
Net cash generated from financing activities	3,090	2,689	401	14.9	1

In respect of the Statement of Financial Position of the Company for FY2023

	Audited Results	Based on the Unaudited Announced Results	Change		Note
	US\$'000	US\$'000	US\$'000	%	
Investment in subsidiaries	19,085	27,085	(8,000)	(29.5)	2
Total assets	27,115	35,115	(8,000)	(22.8)	2
Accumulated losses	(67,385)	(59,385)	8,000	(13.5)	2
Net assets/Total equity	22,098	30,098	(8,000)	(26.6)	2
Net Asset value per share (US cents)	0.68	0.93	(0.25)	(26.9)	2

**Notes:**

1. Attributed to a reclassification of bills payables from other payables to borrowings. Accordingly, the debt-to-equity of the Group (defined as the ratio of all interest-bearing loans of the Group to the Shareholders' fund of the Group) increased from the earlier reported 69.4% to 73.2%. As the result of the reclassification above, together with certain reclassification adjustments on interest expense and foreign exchange difference in relation to certain borrowings, the net cash used in operating activities has increased by US\$401,000 from US\$2.33 million to US\$2.73 million and the net cash generated from financing activities increased from US\$2.7 million to US\$3.1 million.
2. Attributed to a further impairment of US\$8 million made to the investment in one of the subsidiaries based on the lower equity value of the subsidiary due to further adjustments to the projected discounted cashflows which was finalized after the release of the unaudited results. The impairment has resulted in the net assets of the Company decreasing from US\$30.1 million to US\$22.1 million while the net asset value per share has decreased from the previously reported 0.93 cents per share to 0.68 cents per share accordingly. This impairment adjustment in the Company accounts has no impact on the Group's net assets and net asset value per share pursuant to the unaudited full year financial result as announced on 30 May 2023.

Save as disclosed, there are no material Audit Adjustments which materially affect the Announced Results.

**BY ORDER OF THE BOARD**

Tan Khai Pang  
Chief Executive Officer  
12 July 2023