

PLACEMENT OF 266,666,600 NEW ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.0225 PER SHARE TO RAIN ASIA PACIFIC PTE. LTD.

1. INTRODUCTION

- 1.1. The Board of Directors (the “**Board**”) of Addvalue Technologies Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has on 25 March 2020 entered into a subscription agreement (the “**Subscription Agreement**”) for the issue and allotment of 266,666,600 new ordinary shares (the “**Subscription Shares**”) in the capital of the Company (“**Shares**”) at an issue price of S\$0.0225 per Subscription Share (the “**Issue Price**”) with Rain Asia Pacific Pte. Ltd. (the “**Subscriber**”).

Subscription Shares as % of the Existing Share Capital ⁽¹⁾	Subscription Shares as % of the Enlarged Share Capital ⁽²⁾	Subscription Shares as % of the Maximum Enlarged Share Capital ⁽³⁾
14.26	12.48	11.43

Notes:-

- (1) Based on the existing issued and paid-up share capital of the Company as at the date of this announcement comprising 1,870,441,084 Shares (the “**Existing Share Capital**”).
- (2) Based on the enlarged issued and paid-up share capital of the Company following the issue and allotment of the Subscription Shares only comprising 2,137,107,684 Shares (the “**Enlarged Share Capital**”).
- (3) Based on the maximum enlarged issued and paid-up share capital of the Company following the issue and allotment of the Subscription Shares and assuming: (i) the issue and allotment of 150,000,000 new Shares to Paul Clark Burke (the “**PCB Conversion Shares**”) on conversion of the entire convertible loan note in the principal amount of S\$3.45 million (assuming conversion price of S\$0.023 per Share) pursuant to the subscription agreement dated 28 June 2019; and (ii) the issue and allotment of 45,000,000 new Shares to Wang Yu Hwei (the “**WYH Conversion Shares**”) on conversion of the S\$2.475 million outstanding under a convertible loan note (assuming a conversion price of S\$0.055 per Share) pursuant to the subscription agreement dated 28 April 2017, comprising 2,332,107,084 Shares (the “**Maximum Enlarged Share Capital**”).
- 1.2. The Issue Price represents a premium of approximately 16.58% to the weighted average price (“**VWAP**”) for trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the full market day on which the Subscription Agreement was signed. The VWAP is S\$0.0193 per Share.

2. THE SUBSCRIPTION SHARES

2.1. Issue and Allotment of the Subscription Shares

- 2.1.1. Subject to the terms and conditions of the Subscription Agreement, the Company agrees to allot and issue to the Subscriber, and the Subscriber agrees to subscribe for, 266,666,600

Subscription Shares at the Issue Price for an aggregate consideration of S\$6 million.

- 2.1.2. Subject to the terms and conditions of the Subscription Agreement (including but not limited to the satisfaction and/or waiver (as the case may be) of the conditions precedent set out therein, the subscription shall be completed on 30 June 2020 or the date on which all the conditions precedent set out in the Subscription Agreement are satisfied and/or waived (as the case may be), whichever is later.

2.2. **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 relevant completion date.

2.3. **Authority to Issue the Subscription Shares**

- 2.3.1. The 266,666,600 Subscription Shares are intended to be allotted and issued pursuant to the general share issue mandate (the "**General Share Issue Mandate**") obtained at the annual general meeting of the Company held on 31 July 2019 (the "**2019 AGM**").
- 2.3.2. The General Share Issue Mandate authorises the directors of the Company (the "**Directors**") to, *inter alia*, issue Shares whether by way of rights, bonus or otherwise, make or grant offers, agreements or options that might or would require Shares to be issued or other transferable rights to subscribe for or purchase Shares (collectively, "**Instruments**") and issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalization issues, provided that the aggregate number of Shares to be issued pursuant to the General Share Issue Mandate (including Shares to be issued pursuant to the Instruments made or granted pursuant to the General Share Issue Mandate) shall not exceed 50% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the 2019 AGM, of which the aggregate number of Shares (including Shares to be issued pursuant to the Instruments made or granted pursuant to the General Share Issue Mandate) to be issued other than on a pro rata basis to existing shareholders of the Company ("**Shareholders**") shall not exceed 20% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the 2019 AGM.
- 2.3.3. As at the date of the 2019 AGM, the Company had a total number of 1,870,441,084 Shares in issue. As at the date of this announcement, no Shares have been allotted and issued pursuant to the General Share Issue Mandate. Accordingly, a further 935,220,542 Shares may be allotted and issued pursuant to the General Share Issue Mandate, of which the maximum number of Shares that can be allotted and issued other than on a pro rata basis is 374,088,216 Shares. Therefore, the 266,666,600 Subscription Shares to be allotted and issued to the Subscriber fall within the limits of the General Share Issue Mandate.

2.4. **Conditions Precedent**

2.5.1 Subscription Shares

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

- (a) all necessary consents and approvals having been obtained and not being revoked or amended;

- (b) approval in-principle for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST having been obtained from the SGX-ST and not revoked or amended;
- (c) the issue and subscription of the Subscription Shares not being prohibited by any legislation or regulatory body; and
- (d) there having been, as at the completion date of the subscription, no material breach of warranties.

If any of the relevant conditions precedent are not satisfied and/or waived by 30 September 2020 or such other date as the parties may agree (the “**Subscription Long Stop Date**”), the obligation of the Company to allot and issue, and the obligation of the Subscriber to acquire, the Subscription Shares shall *ipso facto* cease and determine thereafter, and the Subscription Agreement shall terminate.

2.5. **No Placement Agent**

No placement agent has been appointed in respect of the issue and allotment of the Subscription Shares. The Subscriber was introduced to the Company by Mr Chiang Mun Kit Julian, a businessman who has been a business associate of the Company since 2000. An introducer fee of 2% of the gross proceeds received by the Company is payable by the Company to the introducer on a success basis.

2.6. **Private Placement**

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

3. **INFORMATION ON THE SUBSCRIBER**

- 3.1.1. The Subscriber has entered into the Subscription Agreement for investment purposes. The Subscriber expressed its interest to invest in the Company through the subscription for the Subscription Shares for its own investment purposes and the Subscriber will not hold the Subscription Shares in trust or as nominee for other persons.
- 3.1.2. The Subscriber is a privately owned company established with the commercial objectives of investing into Critical Infrastructure (including gas-to-power and water industrial sectors), Technology and Real Estate. The legal and beneficial owners and shareholders of the Subscriber are Dr. Ali Nasser S.A. Aldhaferi and Mr. Bambang Sugeng bin Kajairi, respectively holding 60% and 40% of the issued share capital of the Subscriber. The shareholders of the Subscriber are private investors. Based on the confirmation received from the Subscriber, none of the Subscriber and its shareholders are existing Shareholders and none have any connections (including business relationships) with the Company, the Directors and/or the substantial Shareholders.
- 3.1.3. The Subscriber has confirmed that it is not currently a person falling within the categories of persons listed in Rule 812(1) of the Listing Manual of the SGX-ST. It should be noted, however, that on completion of the subscription, the Subscriber will become a substantial Shareholder.

4. FINANCIAL EFFECTS

The financial effects of the issue and allotment 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 2019).

4.1. Earnings per Share (“EPS”)

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

	Before the issue and allotment of the Subscription Shares, the PCB Conversion Shares and the WYH Conversion Shares	After the issue and allotment of the Subscription Shares only	After the issue and allotment of the Subscription Shares, the PCB Conversion Shares and the WYH Conversion Shares
(Loss)/Profit After Taxation and Non-Controlling Interests (US\$'000)	(4,107)	(4,107)	(4,107)
Weighted Average Number of Shares ('000)	1,804,688	2,071,354	2,266,354
EPS (US cents)	(0.23)	(0.20)	(0.18)

4.2. Net Tangible Assets (“NTA”)⁽⁴⁾

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

	Before the issue and allotment of the Subscription Shares, the PCB Conversion Shares and the WYH Conversion Shares	After the issue and allotment of the Subscription Shares only	After the issue and allotment of the Subscription Shares, the PCB Conversion Shares and the WYH Conversion Shares
NTA ⁽⁶⁾ attributable to the Shareholders (US\$'000)	(4,153)	159	1,583
Number of Shares ('000)	1,870,441	2,137,107	2,332,108
NTA per Share (US cents)	(0.22)	0.01	0.07

Note:-

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

4.3. Net Gearing

The issue and allotment of the Subscription Shares would not have an effect on the net gearing of the Group.

5. RATIONALE FOR THE SUBSCRIPTION AND USE OF PROCEEDS

5.1. The estimated proceeds from the issue and allotment of the Subscription Shares after deducting expenses incurred in connection with the same is expected to amount to approximately S\$5.7 million (the “**Net Proceeds**”).

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

Use of Net Proceeds	Proportion (%)	Amount of Net Proceeds (S\$'000)
Capability Development Program for Space (the “ Space Program ”)	52.6	3,000
Working capital of the Group (including expenses relating to suppliers for materials and services and administrative expenses including payroll)	47.4	2,700

5.3. The Net Proceeds would strengthen the working capital of the Group as it seeks to expand and grow its IDRS business, which business is being cultivated as part of the Group’s Space Program, and also enable it to fund the expansion of its existing business and acquire new technologies.

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

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

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement is available for inspection at the Company’s Singapore registered office currently located at 202 Bedok South Ave 1, #01-11, Singapore 469332 for three months from the date of this announcement.

8. RESPONSIBILITY STATEMENT

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

9. TRADING CAUTION

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities that may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Dr Colin Chan Kum Lok
Chairman and CEO

26 March 2020