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

- COMPLETION OF PLACEMENT TO BE SUBJECT TO SHAREHOLDERS' APPROVAL DUE TO LONG NON-FULFILMENT OF APPROVAL IN-PRINCIPLE CONDITION GRANTED BY THE SINGAPORE EXCHANGE

Unless otherwise defined, all terms used herein shall bear the same meaning as in the Company's announcements dated 26 March 2020, 4 May 2020, 20 May 2020, 21 May 2020, 22 May 2020 and 1 June 2020 (the "Previous Announcements").

The Board of Directors (the "**Board**") of Addvalue Technologies Ltd (the "**Company**") refers to the Previous Announcements in relation to the proposed placement (the "**Placement**") of 266,666,600 new ordinary shares in the capital of the Company ("**Placement Shares**") at an issue price of S\$0.0225 per share for an aggregate consideration of S\$6.0 million ("**Subscription Monies**") to Rain Asia Pacific Pte Ltd ("**Rain Asia**").

The Board had on 10 June 2020 received a request from Rain Asia for a final deferment of the completion of the Placement ("**Completion**") to no later than 23 June 2020 (the "**Final Deferment Date**"). Rain Asia had assured the Company that funding commitment of S\$6.0 million is in place for the Placement ("**Full Funding Assurance**"), except that it would require the additional time (but till no further than 23 June 2020) to arrange for its disbursement to the Company. Further, as a demonstration of Rain Asia's commitment to complete the Placement, Rain Asia has placed a deposit of S\$1.2 million (the "**Increased Deposit**") (as opposed to the original deposit of S\$1.0 million asked for by the Company) with the Company. However, whilst the Company was open to consider the further extension, the Company had to seek confirmation from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") that the Company could continue to rely on the approval-in-principle granted on 4 May 2020 ("**Approval In-Principle**") for the listing and quotation of the Placement Shares as one of the conditions stated therein was that the Placement had to be completed no later than seven (7) market days immediately following the date of the grant of the Approval In-Principle (the "**7 Market Days Condition**").

Following the Company's consultation with the SGX-ST, the Company has been notified that as the 7 Market Days Condition has long not been fulfilled, the Approval In-Principle that was granted is considered lapsed and could no longer be relied upon for the listing and quotation of the Placement Shares. Accordingly, and in order to proceed to Completion of

UPDATE ON THE PLACEMENT OF 266,666,600 NEW ORDINARY SHARES AT AN
ISSUE PRICE OF S\$0.0225 PER SHARE TO RAIN ASIA PACIFIC PTE. LTD.
- COMPLETION OF PLACEMENT TO BE SUBJECT TO SHAREHOLDERS' APPROVAL DUE TO LONG NON-
FULFILMENT OF APPROVAL IN-PRINCIPLE CONDITION GRANTED BY THE SINGAPORE EXCHANGE

the Placement on the terms as agreed, the Company has to seek the approval of Shareholders pursuant to Rule 811(3) of the SGX-ST Listing Manual (the "**Shareholders' Approval**").

In this regard, the Company is currently working with Rain Asia to finalize a supplemental agreement for the purposes of the deferment of the Completion which will be subject to the Shareholders' Approval.

The Board is of the view that it remains in the best interest of the Company and the Shareholders as a whole for the Company to continue with the Placement albeit the need for the Shareholders' Approval, after taking into consideration the commitment shown by Rain Asia by way of the Increased Deposit, the Full Funding Assurance and the fact that the Subscription Monies, when received, would constitute a significant amount of funding that would augment the Group's immediate to mid-term working capital and funding requirements (in particular, the funding that is required to expand, grow and further develop the Group's IDRS business).

The Company will take immediate steps to re-apply to the SGX-ST for the approval in-principle for the listing and quotation of the Placement Shares as soon as practicable and, subject to the receipt of such approval in-principle for the re-application, issue a circular to Shareholders to convene an extraordinary general meeting for the purposes of obtaining the Shareholders' Approval.

Notwithstanding the further delay, Rain Asia has again reiterated to the Company of its firm commitment to complete the subscription of the Subscription Shares.

Shareholders 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 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
15 June 2020