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## 1. PROPOSED SHARE PLACEMENT OF:

- a. 100,873,400 NEW ORDINARY SHARES IN THE CAPITAL OF ADDVALUE TECHNOLOGIES LTD AT A PLACEMENT PRICE OF S\$0.02385 PER PLACEMENT SHARE (THE “PROPOSED PLACEMENT 1”); AND
- b. 10,500,000 NEW ORDINARY SHARES IN THE CAPITAL OF ADDVALUE TECHNOLOGIES LTD AT A PLACEMENT PRICE OF S\$0.02385 PER PLACEMENT SHARE (THE “PROPOSED PLACEMENT 2”) AS PART OF THE RESTRUCTURING OF AN EXISTING CONVERTIBLE LOAN NOTE (COLLECTIVELY, THE “PROPOSED PLACEMENT”)

## 2. ISSUE OF A CONVERTIBLE LOAN NOTE IN THE PRINCIPAL AMOUNT OF S\$2.0 MILLION CONVERTIBLE INTO 83,857,442 NEW ORDINARY SHARES IN THE CAPITAL OF ADDVALUE TECHNOLOGIES LTD AT A CONVERSION PRICE OF S\$0.02385 PER SHARE (THE “2020 CONVERTIBLE LOAN NOTE”)

## 3. OTHER UPDATES

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### 1 INTRODUCTION

1.1 The Board of Directors (the “**Board**”) of Addvalue Technologies Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 4 August 2020, entered into several subscription agreements (the “**Subscription Agreements**”) for the allotment and issue of a total of 111,373,400 new ordinary shares (“**Shares**”) in the capital of the Company (the “**Placement Shares**”) (the “**Proposed Placement**”), comprising:

- a. an aggregate of 100,873,400 new Shares (the “**Placement 1 Shares**” and each, a “**Placement 1 Share**”) (the “**Placement 1**”) to be subscribed by the following persons:

Name of Subscriber	Number of Placement Shares	Percentage of Existing Share Capital (%) <sup>(2)</sup>	Percentage of Enlarged Share Capital (%) <sup>(3)</sup>	Percentage of Maximum Enlarged Share Capital (%) <sup>(5)</sup>
<u>Placement 1</u>				

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<b>Name of Subscriber</b>	<b>Number of Placement Shares</b>	<b>Percentage of Existing Share Capital (%)<sup>(2)</sup></b>	<b>Percentage of Enlarged Share Capital (%)<sup>(3)</sup></b>	<b>Percentage of Maximum Enlarged Share Capital (%)<sup>(5)</sup></b>
Paul Clark Burke	11,570,000	0.62	0.58	0.52
Bambang Sugeng bin Kajairi ("Mr Bambang")	4,000,000	0.21	0.20	0.18
Eyal Joseph Trachtman	2,000,000	0.11	0.10	0.09
Richard S Cooperman	2,100,000	0.11	0.11	0.09
Yuen Wai Kheong	3,000,000	0.16	0.15	0.14
Yuen Wai Leng	1,500,000	0.08	0.08	0.07
Teng Cheong Thye	4,000,000	0.21	0.20	0.18
Peh Kiam Choon	1,000,000	0.05	0.05	0.05
Lee Loi Sing	15,000,000	0.80	0.76	0.68
Thomas Lew Chern Fhan	1,500,000	0.08	0.08	0.07
Low Chan Kein	10,000,000	0.53	0.50	0.45
Ng Seow Yuen	4,000,000	0.21	0.20	0.18
Vincent Sim Teck Leng	20,000,000	1.07	1.01	0.90
Ekanayake Mudiyansele Lakshman Ekanayake <sup>(1)</sup>	1,414,400	0.08	0.07	0.06
Fong Shee Chuen <sup>(1)</sup>	4,000,000	0.21	0.20	0.18
Tan Kiang Peng <sup>(1)</sup>	2,400,000	0.13	0.12	0.11
Tan Juay Hwa <sup>(1)</sup>	1,620,000	0.09	0.08	0.07
Zhu Haorong <sup>(1)</sup>	700,000	0.04	0.04	0.03
Soh Siew Khim <sup>(1)</sup>	460,000	0.02	0.02	0.02
Wang Teck Ann <sup>(1)</sup>	500,000	0.03	0.03	0.02
Thin Thiam Choy <sup>(1)</sup>	2,441,000	0.13	0.12	0.11

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Name of Subscriber	Number of Placement Shares	Percentage of Existing Share Capital (%) <sup>(2)</sup>	Percentage of Enlarged Share Capital (%) <sup>(3)</sup>	Percentage of Maximum Enlarged Share Capital (%) <sup>(5)</sup>
Ngo Guan Seng <sup>(1)</sup>	870,000	0.05	0.04	0.04
Low Boon Leng <sup>(1)</sup>	2,098,000	0.11	0.11	0.09
K Kalaivanan <sup>(1)</sup>	1,200,000	0.06	0.06	0.05
Dr Hu Gang <sup>(1)</sup>	1,400,000	0.07	0.07	0.06
Lim Han Boon <sup>(1)</sup>	2,100,000	0.11	0.11	0.09
<b>Sub-total for the Proposed Placement 1</b>	<b>100,873,400</b>	<b>5.39</b>	<b>5.09</b>	<b>4.55</b>

- b. 10,500,000 new Shares (the "Placement 2 Shares" and each, a "Placement 2 Share") (the "Placement 2") to be subscribed by the following person:

Name of Subscriber	Number of Placement Shares	Percentage of Existing Share Capital (%) <sup>(2)</sup>	Percentage of Enlarged Share Capital (%) <sup>(3)</sup>	Percentage of Maximum Enlarged Share Capital (%) <sup>(5)</sup>
<b>Placement 2<sup>(4)</sup></b>				
Wang Yu Huei ("Mr Wang")	10,500,000	0.56	0.53	0.47
<b>Sub-total for the Proposed Placement 2</b>	<b>10,500,000</b>	<b>0.56</b>	<b>0.53</b>	<b>0.47</b>
<b>Grand-total for the Proposed Placement</b>	<b>111,373,400</b>	<b>5.95</b>	<b>5.62</b>	<b>5.03</b>

**Notes:**

- (1) These are the full-time staff of the Group, and they collectively subscribed for 21,203,400 Placement 1 Shares.
- (2) 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").
- (3) Based on the enlarged issued and paid-up share capital of the Company assuming and following the issue and allotment of the Placement Shares only comprising a total of 1,981,814,484 Shares (the "Enlarged Share Capital").

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(4) The Proposed Placement 2, pursuant to a new convertible loan agreement entered into between the Company and Mr Wang on 4 August 2020 (the "**CLN Subscription Agreement**"), constitutes a part of the restructuring of the balance outstanding amount of S\$2.475 million (due to be repaid by no later than 31 May 2021) under a convertible loan note issued in the aggregate principal amount of S\$3.85 million by the Company to Mr Wang pursuant to a convertible loan agreement entered into between the Company and Mr Wang on 28 April 2017 (the "**2017 Convertible Loan Note**"), such that S\$475,000 of the 2017 Convertible Loan Note shall be retired in cash by the Company partially by way of a subscription by Mr Wang of the Placement 2 Shares, with the balance S\$2.0 million to be replaced by the issuance to Mr Wang of a new convertible loan note (the "**2020 Convertible Loan Note**"), which may be converted, in whole or in part at the option of holder of the 2020 Convertible Loan Note, into not more than 83,857,442 new Shares (the "**2020 Conversion Shares**" and each, a "**2020 Conversion Share**") at a conversion price of S\$0.02385 per 2020 Conversion Share. The conversion of the 2020 Convertible Loan Note must be exercised by no later than 6 September 2021 or such other date that the Company and Mr Wang may agree in writing (the "**Maturity Date**"). Any part of the remaining 2020 Convertible Loan Note, if not converted by the Maturity Date, shall be subject to a payment of interest to be accrued at the rate of 5% per annum (similar to the interest chargeable under the terms and conditions of the 2017 Convertible Loan Note). The aforesaid restructuring of the balance amount owing under the 2017 Convertible Loan Note would strengthen the balance sheet of the Company.

(5) Based on the maximum enlarged issued and paid-up share capital of the Company following the issue and allotment of the Placement Shares and assuming: (i) the issue and allotment of 150,000,000 new Shares to Paul Clark Burke (the "**2019 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 83,857,442 2020 Conversion Shares to Mr Wang on conversion of the 2020 Convertible Loan Note (assuming a conversion price of S\$0.02385 per 2020 Conversion Share) pursuant to the 2020 Convertible Loan Agreement, comprising 2,215,671,926 Shares (the "**Maximum Enlarged Share Capital**").

(each a "**Subscriber**", and collectively the "**Subscribers**")

- 1.2 Each of the Subscribers have agreed to subscribe for the Placement Shares (on and subject to the terms and conditions of the relevant Subscription Agreement) (the "**Subscription**") at an issue price of S\$0.02385 per Placement Share (the "**Placement Price**"), the total aggregate consideration in respect of all the Placement Shares being approximately S\$2,656,255 (the "**Aggregate Placement Consideration**"). For the avoidance of doubt, the terms and conditions of all the Subscription Agreements (as between the Company and each Subscriber) are similar.

## 2 THE PROPOSED PLACEMENT

### 2.1 Authority to Issue the Placement Shares

The Placement Shares are intended to be issued pursuant to the share issue mandate (the "**Share Issue Mandate**") obtained at the annual general meeting of the Company held on 31 July 2019 (the "**2019 AGM**"). The Share Issue Mandate authorises the directors of the Company (the "**Directors**") to, *inter alia*, issue Shares whether by way of rights, bonus or otherwise, or to make or grant offers,

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agreements or options that might or would require Shares to be issued or other transferable rights to subscribe for or purchase Shares (collectively, the "**Instruments**"), such that the aggregate number of Shares to be issued pursuant to the Share Issue Mandate (including Shares to be issued pursuant to the Instruments) shall not exceed 50% of the total number of issued Shares excluding treasury shares and subsidiary holdings, of which the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) to be issued other than on a pro rata basis to shareholders of the Company (the "**Shareholders**") does not exceed 20% of the total number of issued Shares excluding treasury shares and subsidiary holdings, where the total number of issued Shares excluding treasury shares and subsidiary holdings shall be as at the date on which the Share Issue Mandate was granted at the 2019 AGM.

As at the date of the 2019 AGM, the Company had an issued and paid-up share capital comprising 1,870,441,084 Shares (excluding treasury shares and subsidiary holdings). As at the date of this announcement, no Shares had been issued pursuant to the Share Issue Mandate. Accordingly, up to a total of 935,220,542 Shares may be issued pursuant to the Share Issue Mandate, of which the maximum number of Shares that can be issued other than on a *pro rata* basis to Shareholders is 374,088,216 Shares. Therefore, the 111,373,400 Placement Shares that may be issued to the Subscribers pursuant to the Proposed Placement (on a non pro rata basis) fall within the limits of the Share Issue Mandate.

## 2.2 The Placement Shares

The Placement Shares, when fully paid and issued, shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of completion of the allotment and issuance of the Placement Shares (the "**Completion Date**").

Following the allotment and issuance of the Placement Shares, the Company's issued and paid-up share capital will increase from 1,870,441,084 Shares (the number of issued Shares as at the date of this announcement) to 1,981,814,484 Shares. Such number of Placement Shares represent approximately 5.62% of the enlarged issued and paid-up share capital of the Company immediately after the completion of the Proposed Placement.

## 2.3 The Placement Price

The Placement Price of S\$0.02385 represents a discount of 10% to the volume weighted average price ("**VWAP**") for trades done on the Singapore Exchange

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Securities Trading Limited (the "SGX-ST") for the full market day on which Shares are traded immediately prior to the signing of the Subscription Agreements. The VWAP is S\$0.0265 per Share.

## 2.4 Conditions Precedent

Completion of the Proposed Placement is conditional upon, *inter alia*:

- approval in-principle for the listing and quotation of the Placement Shares on the Official List of the SGX-ST and not revoked or amended and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscriber;
- approval by the Board and the issue and subscription of the Placement Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company; and
- 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 Clause 5 and/or Clause 6 of the Subscription Agreement if they were repeated on and as of the Completion Date.

In addition, completion of the Proposed Placement 2 is conditional upon SGX-ST's approval in-principle for the listing and quotation of the 2020 Conversion Shares and the concurrent issuance of the 2020 Convertible Loan Note.

The Company will be submitting the requisite additional listing applications to the SGX-ST to seek the SGX-ST's approval in-principle for the listing and quotation of the Placement Shares and the 2020 Conversion Shares as soon as possible. The Company will make the necessary announcements upon receipt of the approvals in-principle for the listing and quotation of the Placement Shares and the 2020 Convertible Shares have been obtained.

In the event that any of the conditions precedent set out in the Subscription Agreements is not satisfied within three (3) months from the date of the signing of the Subscription Agreements and the 2020 Convertible Loan Agreement, or such other date as the relevant Subscriber and the Company may agree, the obligations

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of the Company to issue the Placement Shares and/or the 2020 Convertible Loan Note shall *ipso facto* cease and determine.

## 2.5 No Placement Agent

No placement agent has been appointed in respect of the Proposed Placement.

## 2.6 Private Placement

There will be not be any prospectus or offer information statement issued in connection with the Proposed Placement as the Proposed Placement will be made pursuant to the exemption under Section 272B of the Securities and Futures Act (Cap. 289) of Singapore (the "SFA").

## 2.7 Completion

Completion of the Proposed Placement 1 and the Proposed Placement 2 will respectively occur within three (3) market days after the last of the conditions precedent applicable to each such placement is satisfied (or otherwise waived in accordance with the terms of the relevant Subscription Agreements).

## 3 INFORMATION ON THE SUBSCRIBERS

Information on the Subscribers and their rationale for participating in the Proposed Placement are as follows:

Name of Subscriber	Background of Subscriber
Mr Bambang	An accredited investor. The Subscription is for investment purposes.
Paul Clark Burke	An existing Shareholder and accredited investor who is the holder of the 2019 Conversion Shares. Mr Burke is an American citizen, businessman and entrepreneur with over 25 years of experience in the aviation industry. He is currently the Chairman of Konnectronix, Inc. (f/k/a Telefonix, Inc.), a company that he founded in 1989, which now focuses on product design and manufacturing for the e-mobility market following the sale of the company's aerospace assets in December 2017. The Subscription is for investment purposes.
Mr Wang	An existing Shareholder and an accredited investor, Mr Wang is the holder of the 2017 Conversion Shares. The Subscription is for investment purposes.

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Eyal Joseph Trachtman	A consultant of Addvalue Innovation Pte Ltd (" <b>AVI</b> ") 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. The Subscription is for investment purposes.
Richard S Cooperman	A consultant of AVI in respect of the technical and business development of IDRS since 2014. Mr Cooperman has over 35 years of broad technical management experience in the satellite communications sector, with a demonstrated ability to implement new products and services. He was instrumental in bringing the Group and Inmarsat together to launch the Group into the satellite business. The Subscription is for investment purposes.
Yuen Wai Kheong	An existing Shareholder and an accredited investor. The Subscription is for investment purposes.
Yuen Wai Leng	An existing Shareholder and an accredited investor. The Subscription is for investment purposes.
Teng Cheong Thye	An accredited investor. The Subscription is for investment purposes.
Peh Kiam Choon	An accredited investor. The Subscription is for investment purposes.
Lee Loi Sing	An existing Shareholder and an accredited investor. The Subscription is for investment purposes.
Thomas Lew Chern Fhan	An accredited investor. The Subscription is for investment purposes.
Low Chan Kein	An accredited investor. The Subscription is for investment purposes.
Ng Seow Yuen	An accredited investor. The Subscription is for investment purposes.
Vincent Sim Teck Leng	An accredited investor. The Subscription is for investment purposes.
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. The Subscription is for investment purposes.
Fong Shee Chuen	An employee of the Group since 2018. Mr Fong holds the position of Senior Vice President, Head of Products and Solutions / Managed Services, and is responsible for sales of satcom products, solutions and managed services. The Subscription is for



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Name of Subscriber	Background of Subscriber
	investment purposes.
Tan Kiang Peng	An employee of the Group since 1996. Mr Tan Kiang Peng holds the position of Manager in Hardware Engineering, and is also the Lead Engineer and Project Manager in charge of the Software Defined Radio module project. The Subscription is for investment purposes.
Tan Juay Hwa	An employee of the Group since 1994. Mr Tan Juay Hwa is the Project Director overseeing all the projects in the Group and directly involved in managing the IDRS projects. He was also an executive director of the Company until he voluntarily stepped down in 2016 to focus on business operation and remains a director of the Group's wholly-owned subsidiary, Addvalue Communications Pte Ltd. The Subscription is for investment purposes.
Zhu Haorong	An employee of the Group since 2006. Mr Zhu is the Staff Engineer of Hardware Department and he is responsible for hardware design engineering services. The Subscription is for investment purposes.
Soh Siew Khim	An employee of the Group since 1998. Ms Soh is the Staff Engineer of Hardware Department and she is responsible for hardware design engineering services. The Subscription is for investment purposes.
Wang Teck Ann	An employee of the Group since 1996. Mr Wang Teck Ann is the Staff Engineer of Hardware Department and he is responsible for hardware design engineering services. The Subscription is for investment purposes.
Thin Thiam Choy	An employee of the Group since 1997. Mr Thin holds the position of Senior Manager of Supply Chain Operations. He leads and oversees the Supply Chain operations including procurement. The Subscription is for investment purposes.
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. The Subscription is for investment purposes.
Low Boon Leng	An employee of the Group since 2014. Mr Low holds the position of Manager of Advance Development Department. He leads and oversees the Advance Development and Test Development team. The Subscription is for investment purposes.
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 Intergrated Product and managed services. The

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Name of Subscriber	Background of Subscriber
	Subscription is for investment purposes.
Dr Hu Gang	An employee of Group since 2005. Dr Hu holds the position of Manager in Software Engineering, and is also the Project Manager supporting the Group's Beijing subsidiary targeting the China market. The Subscription is for investment purposes.
Lim Han Boon	An employee of Group since 2019. Mr Lim is a non-board Finance Director of the Company. The Subscription is for investment purposes.

- 3.1 The Subscribers, Ekanayake Mudiyanseelage Lakshman Ekanayake, Fong Shee Chuen, Tan Kiang Peng, Tan Juay Hwa, Zhu Haorong, Soh Siew Khim, Wang Teck Ann, Thin Thiam Choy, Ngo Guan Seng, Low Boon Leng, K. Kalaivanan, Dr Hu Gang and Lim Han Boon (collectively, the "**Investment Employees**"), are employees of companies within the Group, and have expressed their interest to invest in the Company through the Proposed Placement for their private investment purposes. The Company welcomes such investments as they are not only a strong demonstration of the commitment and confidence of the Investment Employees in the Group going forward but also align the interests of the Investment Employees with those of the Company.
- 3.2 The Subscribers, Eyal Joseph Trachtman and Richard S Cooperman (collectively, the "**Investment Consultants**"), have been acting as consultants to AVI for the development and commercialization of the IDRS business of the Group for the past few years. Both of them are veterans in the satellite industry, with vast experience in the IDRS technology and possess strong business networks. The Investment Consultants have expressed their interest to invest in the Company through the Proposed Placement for private investment purposes. The subscriptions for the Placement Shares by the Investment Consultants is a demonstration of their confidence in and commitment to the prospects of the Group, particularly with regard to the IDRS business of the Group.
- 3.3 The Subscribers, Vincent Sim, Lee Loi Sing, Low Chan Kien and Ng Seow Yuen are accredited investors introduced to the Company by Qarah Consultancy Pte Ltd which has no connections with its Directors and substantial shareholders. An introducer's fee of 5% of the total subscription monies derived from these four (4) investors will be paid upon successful completion of the subscription of the Placement Shares.
- 3.4 The Subscribers, Paul Clark Burke, Mr Wang, Lee Loi Seng, Yuen Wai Leng and Yuen Wai Kheong (collectively, the "**Existing Investment Shareholders**"), are existing

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Shareholders of the Company and are not related to each other. The Existing Investment Shareholders have expressed their interest to invest in the Company through the Proposed Placement for private investment purposes.

- 3.5 Save as disclosed above, none of the Subscribers have any connections (including business relationships) with the Company, its Directors and substantial Shareholders.
- 3.6 Each of the Subscribers has confirmed that he is not a person falling within the categories of persons listed in Rule 812(1) of the Listing Manual of the SGX-ST. In addition, the Company confirms that the Proposed Placement will not result in a transfer of controlling interest.

## **4 THE 2020 CONVERTIBLE LOAN NOTE**

### **4.1 Authority to issue the 2020 Convertible Loan Note and the 2020 Conversion Shares**

The 2020 Conversion Shares are intended to be allotted and issued (upon conversion of the 2020 Convertible Loan Note) pursuant to the Share Issue Mandate obtained at the 2019 AGM. The Share Issue Mandate authorises the Directors to, *inter alia*, 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**"), provided that the aggregate number of Shares to be issued pursuant to the Share Issue Mandate (including Shares to be issued pursuant to the Instruments made or granted pursuant to the 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 Share Issue Mandate) to be issued other than on a pro rata basis to existing 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.

As noted above, as at the date of the 2019 AGM, the Company had a total number of 1,870,441,084 Shares (excluding treasury shares and subsidiary holdings). As at the date of this announcement, no Shares have been allotted and issued pursuant to the Share Issue Mandate. Accordingly, up to a total of 935,220,542 Shares may be allotted and issued pursuant to the 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 83,857,442 Conversion Shares that may be issued to Mr Wang, one of the Subscribers and current holder of the 2017 Convertible Note,

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pursuant to the conversion of the 2020 Convertible Loan Note (taking into account the allotment and issue of the Placement Shares), fall within the limits of the Share Issue Mandate.

#### 4.2 Key Terms and Conditions of the 2020 Convertible Loan Note

The key terms and conditions of the 2020 Convertible Loan Note are summarised as follows:

<b>Issue Size</b>	:	S\$2.0 million
<b>Subscriber</b>	:	Mr Wang
<b>Subscription Price</b>	:	100% of the principal amount of the 2020 Convertible Loan Note. Pursuant to the terms of the CLN Subscription Agreement, the monies payable by the Subscriber to the Company pursuant to the issuance of the 2020 Convertible Loan Note will be fully utilized to repay the amount outstanding and owing by the Company to the Subscriber under the 2017 Convertible Loan Note and any and all interest that has accrued and become payable thereunder, and that thereafter the 2017 Convertible Loan Note shall be regarded as having been fully redeemed and cancelled.
<b>Closing</b>	:	Completion shall take place on the date (the " <b>Closing Date</b> ") falling three (3) clear market days after the date on which all the conditions precedent set out in the CLN Subscription Agreement are satisfied or otherwise waived in writing, provided that the Closing Date shall not be later than one month from the date of the CLN Subscription Agreement unless otherwise agreed in writing.
<b>Interest</b>	:	5% on each amount outstanding under the 2020 Convertible Loan Note on each anniversary of the Closing Date until the loan principal is repaid in full.
<b>Maturity Date</b>	:	6 September 2021 or such other date that the Company and the Subscriber may agree in writing.
<b>Conversion Price</b>	:	S\$0.02385 per 2020 Conversion Share
<b>Conversion</b>	:	The Subscriber shall have the option to convert all or any part of the outstanding loan principal at any time and from time to time at its discretion into 2020 Conversion Shares at the Conversion Price, fractional 2020 Conversion Shares (if any) resulting from such conversion to be disregarded.

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<b>Anti-Dilution Protection</b>	:	The initial Conversion Price will be adjusted in certain circumstances, including sub-division, consolidation and reclassification of Shares, issuance of securities and capital distributions, other than specified excluded transactions.
<b>Conversion Period</b>	:	At any time from the Closing Date up to and including the Maturity Date.
<b>Status of the Conversion Shares</b>	:	The 2020 Conversion Shares shall, when issued, be free from all claims, charges, liens and other encumbrances whatsoever and shall rank <i>pari passu</i> in all respects with and carry all rights similar to the Shares in issue at the time of conversion except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date on which the allotment and issuance of such 2020 Conversion Shares is completed.
<b>Redemption on Maturity Date or on a Change of Control Event</b>	:	Unless converted, the 2020 Convertible Loan Note will be redeemed by the Company on the Maturity Date or on a Change of Control Event (whichever is earlier) by paying the outstanding loan principal and any and all interest that has accrued and remains outstanding, where " <b>Change of Control Event</b> " means any transaction that will result in a change in the legal and/or beneficial ownership of 15% or more of the Company's issued share capital.
<b>Conditions Precedent</b>	:	<p>(a) all necessary regulatory and governmental consents and approvals, and all other necessary approvals (including but not limited to the approval of the Shareholders, if required), authorisations, clearances, consents and waivers having been obtained;</p> <p>(b) approval in-principle for the listing and quotation of the 2020 Conversion 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 Subscriber;</p> <p>(c) approval by the board of directors of the Company and the issue and subscription of the 2020 Convertible Loan Note (as well as the 2020 Conversion Shares) not being prohibited by any statute, order, rule or regulation promulgated after the date of the CLN Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company; and</p>

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		<p>(d) there having been, as at the Closing 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 clauses 8 and/or 9 of the CLN Subscription Agreement if they were repeated on and as of the Closing Date.</p>
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#### 4.3 **No Placement Agent**

No placement agent has been appointed in respect of the issue of the 2020 Convertible Loan Note and/or the allotment and issue of the 2020 Conversion Shares.

#### 4.4 **Private Placement**

There will be not be any prospectus or offer information statement issued in connection with the issue of the 2020 Convertible Loan Note and/or the allotment and issue of the 2020 Conversion Shares as the issue of the 2020 Convertible Loan Note and/or the allotment and issue of the 2020 Conversion Shares will be undertaken pursuant to the exemption under Section 272B of the Securities and Futures Act (Cap. 289) of Singapore (the "SFA").

### 5 **FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT AND ISSUANCE OF THE 2020 CONVERTIBLE LOAN NOTE**

The financial effects of the Proposed Placement and the issuance of the 2020 Convertible Loan Note on the Group are prepared based on the latest available audited accounts of the Group (i.e., the audited accounts for the financial year ended 31 March 2019).

#### 5.1 Loss per Share ("LPS")

Assuming: (a) the issue and allotment of the Placement Shares only; or (b) the issue and allotment of the Placement Shares, the 2019 Conversion Shares and the 2020 Conversion Shares, had been completed on 1 April 2018, the effect on the Group's LPS for the financial year ended 31 March 2019 would have been as follows:

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	<b>Before the issue and allotment of the Placement Shares, the 2019 Conversion Shares and the 2020 Conversion Shares</b>	<b>After the issue and allotment of the Placement Shares only</b>	<b>After the issue and allotment of the Placement Shares, the 2019 Conversion Shares and the 2020 Conversion Shares</b>
(Loss) After Taxation and Non-Controlling Interests (US\$'000)	(4,107)	(4,107)	(4,107)
Weighted Average Number of Shares ('000)	1,804,688	1,916,061	2,149,919
LPS (US cents)	(0.23)	(0.21)	(0.19)

## 5.2 Net Tangible Assets ("NTA")<sup>(1)</sup>

Assuming: (a) the issue and allotment of the Placement Shares only; or (b) the issue and allotment of the Placement Shares, the 2019 Conversion Shares and the 2020 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:

	<b>Before the issue and allotment of the Placement Shares, the 2019 Conversion Shares and the 2020 Conversion Shares</b>	<b>After the issue and allotment of the Placement Shares only</b>	<b>After the issue and allotment of the Placement Shares, the 2019 Conversion Shares and the 2020 Conversion Shares</b>
NTA <sup>(6)</sup> attributable to the Shareholders (US\$'000)	(4,153)	(1,497)	2,447
Number of Shares ('000)	1,870,441	1,981,814	2,215,672
NTA per Share (US cents)	(0.22)	(0.08)	0.11

**Note:**

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

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### 5.3 Net Gearing

The issue and allotment of the Placement Shares and the issue of the 2020 Convertible Loan Note would not have an effect on the net gearing of the Group.

## 6 RATIONALE FOR THE PROPOSED PLACEMENT AND USE OF PROCEEDS

When allotted and issued in full, the estimated proceeds from the Proposed Placement after deducting expenses incurred in connection with the Proposed Placement is expected to amount to approximately S\$2.5 million.

The IDRS program which the Group currently undertakes is showing promising prospects in commercialization. The Company also notes that the satellite communications business of the Group has also been gaining strong commercial tractions, with the Group's provision of solution for the fishing vessels industry as well as for design services in the satellite communications space achieving some good levels of success. In light of the above, the Company deems it necessary to undertake the Proposed Placement to raise funds to strengthen its balance sheet as well as to meet its funding and working capital requirements.

The Company intends to utilise the net proceeds from the Proposed Placement in the following proportions:

<b>Use of net proceeds</b>	<b>Proportion (%)</b>	<b>Amount of net proceeds (S\$'000)</b>
For repayment of existing loans	20	500
For the working capital requirements of the Group, including the funding for its space capabilities development program	80	2,000
<b>Total</b>	<b>100</b>	<b>2,500</b>

The Directors are of the opinion that, after taking into consideration the Group's present banking facilities and the net proceeds from the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.

The Company will make announcements as to the use of proceeds arising from the Proposed Placement as and when such proceeds are materially disbursed and whether such a use is in accordance with the stated purpose. The Company will also



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provide a status report on the use of the proceeds in the Company's interim and full year financial statements as well as the Company's annual report. Where the proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the 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 proceeds from the Proposed Placement, 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.

## **7 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 Proposed Placement.

## **8 DOCUMENTS AVAILABLE FOR INSPECTION**

In view of the COVID-19 (Temporary Measures) Act 2020, copies of the Subscription Agreements and the CLN Subscription Agreement are available for inspection, strictly by appointment only, at the Company's registered office at 202 Bedok South Ave 1, #01-11, Singapore 469332 for three (3) months from the date of this announcement. To make an appointment, please send request to [appointment@addvalue.com.sg](mailto:appointment@addvalue.com.sg).

## **9 OTHER UPDATES**

The Board further refers to the previously announced placement of 266,666,600 new Shares to Rain Asia Pacific Pte Ltd ("**Rain Asia**"), which is currently held in abeyance (due principally to certain internal complications arising within Rain Asia (untold to the Company) which needed more time to resolve) and pending further discussions with Rain Asia on the terms of the placement in light of, among others, the Proposed Placement. As a show of support for the Company, Mr Bambang, the representative of Rain Asia, has subscribed, in his personal capacity, 4,000,000 Placement Shares under the Proposed Placement 1.

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## **10 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 Proposed Placement and the 2020 Convertible Loan Note, 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.

## **11 TRADING CAUTION**

**Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. 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  
5 August 2020