
PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF DISCOUNTED AND REDEEMABLE CONVERTIBLE BONDS

- UPDATE ANNOUNCEMENT

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**”) refers to the Company’s previous announcements made on 7 July 2022 and 14 July 2022 (the “**Previous Announcements**”) in relation to the Company’s proposed Rights Issue.
- 1.2 Unless otherwise defined in this announcement, all capitalised terms used in this announcement shall have the same meanings and construction as ascribed to them in the Previous Announcements.

2 REVISION OF TERMS OF THE RIGHTS ISSUE

The Company wishes to announce revisions to certain principal terms of the Rights Issue and the salient Terms and Conditions of the Rights Convertible Bonds as follows:

Principal Terms	Description
Principal Amount of each Rights Convertible Bond	S\$1.00 (revised from S\$0.20)
Issue Price applicable to each Rights Convertible Bond	S\$0.931 (revised from S\$0.1862), at a discount of 6.9% to the principal amount of each Rights Convertible Bond, payable in full upon acceptance and/or application.

Principal Terms	Description
Allotment Ratio	The Rights Convertible Bonds are proposed to be offered on a renounceable basis to Entitled Shareholders (as defined herein) on the basis of one (1) Rights Convertible Bond for every five hundred (500) existing Shares (revised from every hundred (100) existing Shares) held by them on the Record Date (as defined below), fractional entitlements to be disregarded.
Coupon	The Rights Convertible Bonds shall bear interest at the rate of 6.0 per cent. (6.0%) per annum on its outstanding principal amount from (and including) the Issue Date. Interest is payable semi-annually in arrears commencing on the date falling six (6) months from the Issue Date and every six (6) months thereafter (each such date for payment of such interest hereunder referred to as an “ Interest Payment Date ”). Unless previously converted or redeemed, the Rights Convertible Bonds will cease to bear interest on the Maturity Date, save for any amount payable in accordance with the Terms and Conditions.
Form and Denomination	The Rights Convertible Bonds will be constituted by a trust deed to be executed by the Company and will be issued in registered form and in the denomination of S\$1.00 (revised from S\$0.20) each and integral multiples thereof. The Rights Convertible Bonds will initially be represented by a global certificate registered in the name of, and deposited with, The Central Depository (Pte) Limited (“ CDP ”). Except in the limited circumstances described in the provisions of the global certificate representing the Rights Convertible Bonds, owners of interests in the Rights Convertible Bonds represented by such global certificate will not be entitled to receive definitive security holdings of Rights Convertible Bonds. The Rights Convertible Bonds which are represented by such global certificate will be transferable only in accordance with the rules and procedures for the time being of CDP.

Principal Terms	Description
<p>Conversion Period</p>	<p>The right of a Bondholder to convert the Rights Convertible Bonds into Shares is called the “Conversion Right”. Subject to and upon compliance with the provisions of the Terms and Conditions, any applicable fiscal or other laws or regulations (including without limitation the then prevailing listing rules of the SGX-ST or any relevant stock exchange (in particular, Rule 803 of the Listing Manual)), the Conversion Right attaching to the Rights Convertible Bonds may be exercised, at the option of the holder thereof, at any time on and after the Issue Date, up to the close of business (at the place where the certificate evidencing such Rights Convertible Bonds is deposited for conversion) on a date no later than one (1) month prior to the Maturity Date or, if such Rights Convertible Bonds shall have been called for redemption prior to the Maturity Date, then up to the close of business (at the place where the certificate evidencing such Rights Convertible Bonds is deposited for conversion) on a date no later than ten (10) Business Days prior to the date fixed for redemption thereof (but, except as provided in the Terms and Conditions, in no event thereafter) (the “Conversion Period”), provided that the conversion date in respect of any Rights Convertible Bonds for which a Conversion Right has been validly exercised shall (subject to the provisions of the Terms and Conditions) fall at two-month intervals, commencing on the date falling two (2) months from the Issue Date and with the last conversion date falling on the Maturity Date (each such date, a “Conversion Date”), and further provided that the Conversion Right shall be suspended during any Closed Period (as defined in the Terms and Conditions) and the Conversion Period and any Conversion Date shall not include any such Closed Period. If (A) the final date on which the Conversion Right may be exercised is not a Business Day at the place aforesaid, then the period for the exercise of the Conversion Right by Bondholders shall end on the immediately following Business Day at the place aforesaid, and (B) any Conversion Date is not a Business Day at the place aforesaid, then the Conversion Date shall fall on the immediately following Business Day at the place aforesaid.</p>

Principal Terms	Description
	<p>The Company shall, at least one (1) month before the end of the Conversion Period, give notice to Bondholders in accordance with Condition 17 of the Terms and Conditions of the last date of the Conversion Period and shall make such announcement of such last date of the Conversion Period as may be required under any applicable laws, regulations or rules of the SGX-ST. as the case may be.</p>
<p>Listing of the Rights Convertible Bonds and the Rights Conversion Shares</p>	<p>An application will be made by the Company to the SGX-ST for the dealing in and listing and quotation of the Rights Convertible Bonds and the Rights Conversion Shares on the Official List of the SGX-ST, provided that, amongst others, there being an adequate spread of holdings to provide for an orderly market in the trading (revised from the Previous Announcement, where it was stated that the Rights Convertible Bonds will not be listed and quoted on the Official List of the SGX-ST or any other stock exchange and will, accordingly, not be publicly traded).</p> <p>An announcement on the outcome of the application will be made in due course.</p>

3 REVISIONS OF USE OF PROCEEDS

The Company wishes to announce revisions to the use of Net Proceeds as follows:

Use of Net Proceeds	Proportion (%)	Amount of Net Proceeds (S\$'000)
Repayment of balance of borrowings ⁽¹⁾	44.6	2,500
Repayment of payables	10.7	600

Use of Net Proceeds	Proportion (%)	Amount of Net Proceeds (S\$'000)
Working capital of the Group (including materials and testing costs for order fulfilment, marketing and administrative expenses) and for business expansion	44.6	2,500
Total	100	5,600

Note:-

- (1) The sum of S\$2.5 million allocated out of the Net Proceeds is intended to repay the outstanding borrowings related to the convertible loan note of principal amount S\$3.45 million issued by the Company and subscribed by Mr. Paul Clark Burke on 6 August 2019 (the "**Convertible Loan Note**"). As announced by the Company on 14 July 2022, the Company had entered into the loan agreements (the "**Undertaking Shareholders' Loan Agreements**") with shareholders who had given irrevocable undertakings to subscribe for the Rights Issue (the "**Undertaking Shareholders**") under which the principal amounts of the loans granted by the Undertaking Shareholders repayable by the Company to each of the Undertaking Shareholders will be set off (in full or partially) against the consideration payable by each of the Undertaking Shareholders under the Rights Issue. In this regard, each of the Undertaking Shareholders have provided their Irrevocable Undertakings. For more details on the Undertaking Shareholders' Loan Agreements and the Irrevocable Undertakings, please refer to the Company's announcement on 14 July 2022. As at the date of this announcement, the loans granted by the Undertaking Shareholders pursuant to the Undertaking Shareholders' Loan Agreements have been fully disbursed to the Company and the outstanding balance of the Convertible Loan Note has been fully repaid with the said loans.

4 CLARIFICATION ON THE TERMS OF THE RIGHTS ISSUE

The Company wishes to clarify that the size of the Rights Issue is up to approximately S\$6,484,064 in aggregate principal amount of Convertible Bonds (and not S\$6 million). The amount of S\$6 million refers instead to the Net Proceeds, after taking into account the discount to Issue Price of 6.9%.

5 DIRECTORS' UNDERTAKINGS TO SUBSCRIBE

As a demonstration of his confidence in and commitment to the prospects of the Group, an additional Director of the Company, Mr Chua Chwee Koh, has provided a written confirmation to the Company that he will subscribe and pay in full for his *pro*

rata entitlement under the Rights Issue. Based on the respective shareholdings of the undertaking Directors (namely, Dr Chan Kum Lok Colin, Mr Tan Khai Pang, Mr Bernard Wong, Mr Richard J Denny and Mr Chua Chwee Koh), the commitment from these Directors to subscribe and pay in full for their *pro rata* entitlement under the Rights Issue will raise approximately S\$171,350.

6 GENERAL INFORMATION

The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem appropriate. The final terms and conditions of the Rights Issue, together with copies of the ARE or the PAL, as the case may be, will be contained in the OIS which will be lodged with the Monetary Authority of Singapore, and despatched to Shareholders in due course.

7 CAUTIONARY STATEMENT

The completion of the Rights Issue is subject to certain conditions. As of the date of this announcement, there is no certainty or assurance that the Rights Issue 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.

8 FURTHER ANNOUNCEMENTS

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

BY ORDER OF THE BOARD

Dr Colin Chan Kum Lok
Executive Chairman
5 September 2022

Appendix: Illustration of Shareholders' entitlement of Rights Convertible Bonds and subscription amount under the Rights Issue:

Number of Shares owned	No of Rights Convertible Bond entitlement	Principal amount payable on the Rights Convertible Bonds (\$)	Rights Convertible Bond Subscription amount after 6.9% discount (\$)
500	1	1.00	0.931
5,000	10	10.00	9.31
50,000	100	100.00	93.10
500,000	1,000	1,000.00	931.00
5,000,000	10,000	10,000.00	9,310.00