
**PROPOSED PLACEMENT OF 103,800,000 NEW ORDINARY SHARES IN THE CAPITAL OF
ADDVALUE TECHNOLOGIES LTD
AT A PLACEMENT PRICE OF S\$0.039 PER PLACEMENT SHARE**

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 12 April 2017 entered into the following subscription agreements for the allotment and issue of 103,800,000 new ordinary shares in the capital of the Company (the “**Placement Shares**”) (the “**Subscription Agreements**”) (the “**Proposed Placement**”) with the following:

Name of Subscriber	Number of Placement Shares	Percentage of Enlarged Share Capital (%)⁽¹⁾
Asdew Acquisition Pte Ltd	13,000,000	0.77
Jin Xin Wealth Management Pte Ltd	26,000,000	1.54
IGV 33 Investments Ltd	2,600,000	0.15
Teo Khiam Chong	2,500,000	0.15
Sim Siew Tin Carol (Shen Xiuzhen Carol)	21,000,000	1.25
Terence Loo Ming Loong	2,700,000	0.16
Lee Loi Sing	23,000,000	1.36
Kaedjohare Ismail Chetchawala	13,000,000	0.77

Note:

(1) Based on 1,686,941,084 shares of the Company (after the issuance of the 103,800,000 Placement Shares)

(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 term and conditions of a Subscription Agreement) (the “**Subscription**”) at an issue price of S\$0.039 per Placement Share (the “**Placement Price**”), the total aggregate consideration in respect of all the Placement Shares being approximately S\$4,048,200 (the “**Aggregate Placement Consideration**”). For the avoidance of doubt, the terms and provisions of all the Subscription Agreements (as between the Company and the Subscribers) 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 28 July 2016 (the “**2016 AGM**”). The Share Issue Mandate authorises the directors of the Company (“**Directors**”) to make or grant offers, agreements or options that might or would require shares (“**Shares**”) to be issued (collectively, “**Instruments**”), such that the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) shall not exceed 50% of the total number of issued Shares as at the date of the 2016 AGM, of which the number of Shares to be issued other than on a *pro rata* basis to existing shareholders of the Company (“**Shareholders**”) is not to exceed 20% (excluding treasury shares).

As at the date of the 2016 AGM, the Company had an issued share capital of 1,583,141,084. As at the date of this Announcement, no Shares had been issued pursuant to the Share Issue Mandate. Accordingly, 791,570,542 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 is 316,628,216 Shares. Therefore, the 103,800,000 Placement Shares that may be issued to the Subscribers pursuant to the Proposed Placement fall within the limits of the Share Issue Mandate.

2.1 **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 (“**Completion Date**”).

Following the allotment and issuance of the Placement Shares, the Company’s issued and paid-up share capital will increase from 1,583,141,084 Shares as at the date of this Announcement to 1,686,941,084 Shares. Such number of Placement Shares represent approximately 6.15% of the enlarged issued and paid-up share capital of the Company after the Proposed Placement.

2.2 **The Placement Price**

The Placement Price represents a discount of 8.5% to the volume weighted average price of S\$0.04262 for trades done on Shares on the Mainboard on 7 April 2017, being the last full market day on which Shares are traded immediately prior to the signing of the Subscription Agreements.

2.3 **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 Singapore Exchange Securities Trading Limited (“**SGX-ST**”) being obtained from the SGX-ST and not revoked or amended;
- 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 this Announcement; and
- The Company and Subscribers not being in breach of any of the representations, warranties, undertakings and covenants in the Subscription Agreements as at the

Completion Date.

The Company will be submitting an additional listing application to the SGX-ST for the listing and quotation of the Placement Shares in due course. In the event that any of the aforementioned conditions precedent is not satisfied on or before four (4) weeks from the date of this Announcement (or in the case where the only condition precedent outstanding is that of obtaining approval in-principle for the listing and quotation of the Placement Shares, then six (6) weeks from the date of this Announcement) ("**Long-Stop Date**"), the Subscription Agreements shall forthwith terminate, unless otherwise mutually agreed between the Company and the Subscribers. The Company will make the necessary announcement once the approval in-principle for the listing and quotation of the Placement Shares has been obtained.

2.4 **No Placement Agent**

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

2.5 **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**").

2.6 **Completion**

Completion of the Proposed Placement will occur within three (3) market days after the last of the conditions precedent is satisfied (or otherwise waived in accordance with the terms of the Subscription Agreements).

3 **INFORMATION ON THE SUBSCRIBERS**

3.1 Information on the Subscribers and their rationale for the Proposed Placement are as follows

Name of Subscriber	Background of Subscriber
Asdew Acquisition Pte Ltd	An investment holding company whose major shareholder is Mr Wang Yu Huei. The Subscription is for investment purpose.
Jin Xin Wealth Management Pte Ltd	An investment holding company whose major shareholder is Mr Yap Soon Heng @ Julian Yap. The Subscription is for investment purpose.
IGV 33 Investments Ltd	An investment holding company whose major shareholder is Mr Tan Aik Ti Ron. The Subscription is for investment purpose.
Teo Khiam Chong	An accredited investor. The Subscription is for investment purpose.
Sim Siew Tin Carol (Shen Xiuzhen Carol)	An accredited investor. The Subscription is for investment purpose.
Terence Loo Ming Loong	An accredited investor. The Subscription is for investment purpose.
Lee Loi Sing	An accredited investor. The Subscription is for investment purpose.
Kaedjohare Ismail Chetchawala	An accredited investor. The Subscription is for investment purpose.

- 3.2 The Subscribers are not the existing shareholders of the Company, and were introduced to the Company by Qarah Consultancy Pte Ltd who has no connections with its Directors and substantial shareholders. An introducer's fee of S\$202,410 will be paid upon successful completion of the subscription of the Placement Shares. The Subscribers have expressed their interest to invest in the Company through the Proposed Placement for their personal private investment. The Subscribers have no connections (including business relationships) with the Company, its Directors and substantial shareholders.
- 3.3 The Subscribers have confirmed that they are not persons 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 FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

- 4.1 The financial effects of the Proposed Placement 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 2016).

(a) Earnings per Share ("EPS")

Assuming that the Proposed Placement had been completed on 1 April 2015, the effect of the Proposed Placement on the Group's EPS for the financial year ended 31 March 2016 will be as follows:

	Before the Proposed Placement	After the Proposed Placement
(Loss)/Profit After Taxation and Non-Controlling Interests (US\$'000)	(4,709)	(4,709)
Weighted Average Number of Shares ('000)	1,187,356	1,291,156
EPS (US cents)	(0.40)	(0.36)

(b) Net Tangible Assets ("NTA")⁽¹⁾

Assuming that the Proposed Placement had been completed on 31 March 2016, the effect of the Proposed Placement on the Group's NTA per Share as at 31 March 2016 would have been as follows:

	Before the Proposed Placement	After the Proposed Placement
NTA ⁽¹⁾ attributable to the Shareholders (US\$'000)	(4,351)	(1,632)
Number of Shares ('000)	1,187,356	1,291,156
NTA per Share (US cents)	(0.37)	(0.13)

Note:

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

5 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\$3.8 million.

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 of the Group	60.5	2,300
Working capital of the Group	39.5	1,500

The Directors are of the opinion that, after taking into consideration the Group's present banking facilities and the 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 provide a status report on the use of the proceeds in the Company's interim and full year financial statements and 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.

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 Proposed Placement.

7 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreements are available for inspection at the Company's Singapore office at 8 Tai Seng Link, Level 5 (Wing 2), Singapore 534158 for three (3) 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 Proposed Placement, 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
Addvalue Technologies Ltd

Dr Chan Kum Lok Colin
Chairman and Chief Executive Officer

12 April 2017