
RECEIPT OF APPROVAL IN-PRINCIPLE FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED FOR LISTING AND QUOTATION OF UP TO:

- a. 96,873,400 NEW ORDINARY SHARES (THE "PLACEMENT 1 SHARES") IN THE CAPITAL OF ADDVALUE TECHNOLOGIES LTD TO BE ISSUED AND ALLOTTED AT A PLACEMENT PRICE OF S\$0.02394 PER PLACEMENT SHARE (THE "PROPOSED PLACEMENT 1");**
 - b. 10,500,000 NEW ORDINARY SHARES (THE "PLACEMENT 2 SHARES") IN THE CAPITAL OF ADDVALUE TECHNOLOGIES LTD TO BE ISSUED AND ALLOTTED AT A PLACEMENT PRICE OF S\$0.02394 PER PLACEMENT SHARE (THE "PROPOSED PLACEMENT 2"); AND**
 - c. 83,542,189 NEW ORDINARY SHARES (THE "CONVERTIBLE SHARES") IN THE CAPITAL OF ADDVALUE TECHNOLOGIES LTD TO BE ISSUED AND ALLOTTED AT A CONVERSION PRICE OF S\$0.02394 PER CONVERSION SHARE PURSUANT TO AN ISSUE OF A CONVERTIBLE LOAN NOTE IN THE PRINCIPAL AMOUNT OF S\$2.0 MILLION (THE "2020 CONVERTIBLE LOAN NOTE")**
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1 INTRODUCTION

The Board of Directors (the "**Board**") of Addvalue Technologies Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's earlier announcements dated 5 August 2020 and 14 August 2020 relating to the Proposed Placement 1, the Proposed Placement 2 and the issue of the 2020 Convertible Loan Note (the "**Previous Announcements**"), and wishes to announce that the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") has today granted its in-principle approval ("**AIP**") for the listing and quotation of up to 96,873,400 Placement 1 Shares, 10,500,000 Placement 2 Shares and 83,542,189 Conversion Shares. Unless otherwise defined, capitalized terms used in this announcement shall have the meanings ascribed to them in the Previous Announcements.

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2 AIP CONDITIONS

The AIP is subject to, *inter alia*, the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) announcement of the conditions under which the price of the Conversion Shares may be adjusted and the conditions under which the 2020 Convertible Loan Note may be redeemed;
- (c) disclosure of the following:
 - (i) details on the places pursuant to Rule 810(2)(b) of the Listing Manual; and
 - (ii) the gross proceeds and the use of the gross proceeds
- (d) submission of the following for the Proposed Placement 1, the Proposed Placement 2 and the issue of the 2020 Convertible Loan Note:
 - (i) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the Proposed Placement 1, the Proposed Placement 2, the 2020 Convertible Loan Note and conversion of the 2020 Convertible Loan Note and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
 - (ii) a written confirmation from the Company that no adjustment to the conversion price is required under the terms and conditions of the convertible loan note issued in 2019 to Paul Clarke Burke arising from the issue of the 2020 Convertible Loan Note and the issue of the Conversion Shares;
 - (iii) a written confirmation from the Company that the terms of the 2020 Convertible Loan Note comply with Rule 829(1) of the Listing Manual;

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- (iv) a written undertaking from the Company to announce any adjustment made pursuant to Rule 829(1) of the Listing Manual;
- (v) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual; and
- (vi) a written confirmation from the Company that it will not issue the Placement 1 Shares, the Placement 2 Shares, the 2020 Convertible Loan Note and the Conversion Shares to persons prohibited under Rule 812(1) of the Listing Manual.

Please note that the AIP is not to be taken as an indication of the merits of the Proposed Placement 1, the Proposed Placement 2, the 2020 Convertible Loan Note, the Conversion Shares, the Company and/or its subsidiaries.

Pursuant to the terms and conditions of the AIP, the Placement 1 Shares and the Placement 2 Shares have to be placed out within seven market days from the date of the AIP.

3 ADJUSTMENT OF CONVERSION PRICE AND REDEMPTION OF THE 2020 CONVERTIBLE LOAN NOTE

(a) Adjustment of Conversion Price

An extract from the subscription agreement relating to the issue of the 2020 Convertible Loan Note setting out the adjustment events relating to the conversion price of the Conversion Shares is set out in **Schedule 1** hereto.

(b) Redemption of the 2020 Convertible Loan Note

The 2020 Convertible Loan Note may be redeemed on the Maturity Date, or on a Change of Control Event, whichever is earlier, where:

“Change of Control Event” refers to the completion of 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; and

“Maturity Date” means 6 September 2021 or such other date that the parties agree in writing.

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4 DETAILS OF PLACEEES

Details of the placees under the Proposed Placement 1, the Proposed Placement 2 and the issue of the 2020 Convertible Loan Note set out in **Schedule 2** hereto.

5 GROSS PROCEEDS AND USE OF GROSS PROCEEDS

The gross proceeds from the Proposed Placement 1 and the Proposed Placement 2 is S\$2,570,519. The use of gross proceeds is as follows:

Use of Gross Proceeds	Amount S\$	Amount S\$
Repayment of existing loans ⁽¹⁾⁽²⁾	480,000	18.67
Funding the Group's space capabilities	1,150,000	44.74
Working capital	770,519	29.98
Share issue expenses	170,000	6.61
Total	2,570,519	100

Notes:

- (1) Currently, S\$2.475 million remains payable under the 2017 Convertible Note due to Wang Yu Huei. This sum will be settled as follows: (a) S\$2 million due from Wang Yu Huei to the Company pursuant to the subscription by Wang Yu Huei of the 2020 Convertible Loan Note, will be used to offset S\$2 million owing to Mr Wang; (b) S\$251,370, being the gross proceeds due from Wang Yu Huei to the Company pursuant to his subscription for the Placement 2 Shares, will be used to offset S\$251,370 owing to Mr Wang; and (3) the remaining S\$223,630 will be repaid to Wang Yu Huei using part of the gross proceeds from the Proposed Placement 1.
- (2) The said S\$480,000 from part of the gross proceeds from the Proposed Placement 1 will be used to settle: (a) S\$475,000, being the aggregate of the sums referred to in Note 1(b) and Note 1(c) above; and (2) S\$5,000,

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being the partial interest due to Wang Yu Huei under the 2017 Convertible Note.

6 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 1, the Proposed Placement 2, the Placement 1 Shares, the Placement 2 Shares, the 2020 Convertible Loan Note and the Conversion Shares, and 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.

7 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
17 September 2020

SCHEDULE 1

ADJUSTMENT EVENTS UNDER THE 2020 CONVERTIBLE LOAN NOTE

SCHEDULE 2

DETAILS OF PLACEES

Name	Background
Mr 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 Eyal Joseph Trachtman	A consultant of Addvalue Innovation Pte Ltd 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.
Mr Yuen Wai Kheong	An existing Shareholder and an accredited investor. The Subscription is for investment purposes.
Mr Yuen Wai Leng	An existing Shareholder and an accredited investor. The Subscription is for investment purposes.
Mr Teng Cheong Thye	An existing Shareholder and an accredited investor who was introduced to the Company by Mr Liu Jin Shu, an ex-analyst from Tyrona Capital Pte Ltd who has been covering the business of the Company for the past few years. The Subscription is for investment purposes.
Mr Peh Kiam Choon	An existing Shareholder and an accredited investor

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Name	Background
	who was introduced to the Company by Mr Liu Jin Shu, an ex-analyst from Tyrona Capital Pte Ltd who has been covering the business of the Company for the past few years. The Subscription is for investment purposes.
Mr Lee Loi Sing	An existing Shareholder and an accredited investor who was introduced to the Company by Qarah Consultancy Pte Ltd. The Subscription is for investment purposes.
Thomas Lew Chern Fhan	An accredited investor who was introduced to the Company by Mr Liu Jin Shu, an ex-analyst from Tyrona Capital Pte Ltd who has been covering the business of the Company for the past few years. The Subscription is for investment purposes
Mr Low Chan Kein	An accredited investor who was introduced to the Company by Qarah Consultancy Pte Ltd. The Subscription is for investment purposes.
Mr Ng Seow Yuen	An accredited investor who was introduced to the Company by Qarah Consultancy Pte Ltd. The Subscription is for investment purposes.
Mr Vincent Sim Teck Leng	An accredited investor who was introduced to the Company by Qarah Consultancy Pte Ltd. The Subscription is for investment purposes.
Mr Ekanayake Mudiyanseelage 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 sitcom products, solutions and managed services. The Subscription is for investment purposes.
Mr 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.
Mr 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

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Name	Background
	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.
Mr 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.
Ms 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.
Mr 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.
Mr 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.
Mr 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.
Mr 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.
Mr 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 Integrated Product and managed services. The Subscription is for investment purposes.
Dr Hu Gang	An employee of Group since 2005. Dr Hu holds the

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Name	Background
	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
Mr 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.
Mr Wang Yu Huei	An existing Shareholder and an accredited investor, Mr Wang is the holder of the 2017 Conversion Shares. The Subscription is for investment purposes.