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## RECEIPT OF APPROVAL IN-PRINCIPLE FROM THE SGX-ST IN RELATION TO:

- **Proposed Subscription by Economic Development Innovations Singapore Pte. Ltd. of 78,700,000 new ordinary shares of the Company (“Shares”) tagged with option to subscribe for a further 315,000,000 new Shares; and**
- **Proposed Subscription by various New Investors of a total of 185,240,000 new Shares tagged with 185,240,000 warrants convertible into 185,240,000 new Shares upon exercise,**

**each Share to be allotted and issued at an issue price of S\$0.0127**

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## 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 announcements on 5 December 2021 (the **“Previous Announcements”**) in relation to, *inter alia*:

- (a) the entry into a subscription agreement (**“EDIS Subscription Agreement”**) with Economic Development Innovations Singapore Pte. Ltd. (**“EDIS”**) for the issue and allotment of 78,700,000 new Shares (the **“EDIS Subscription Shares”**); and
- (b) the entry into various subscription agreements (**“Shares cum Warrants Subscription Agreements”**) with a group of new investors (whose identities and background are disclosed in the Previous Announcement 2/4) for the issue and allotment of 185,240,000 new Shares (the **“Placement Shares”**) and 185,240,000 warrants (the **“Warrants”**) (issued free of payment) which when exercised at an exercise price of S\$0.0127 per warrant, are convertible into further 185,240,000 new Shares (**“Warrant Shares”**),

(collectively, the **“Proposed Placements”**).

1.2 Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Previous Announcements

## 2 APPROVAL IN-PRINCIPLE

2.1 The Directors wish to announce that the Company has, on 29 December 2021, obtained the in-principle approval (the “**AIP**”) from the SGX-ST in respect of the listing and quotation of:

- (a) the 78,700,000 EDIS Subscription Shares;
- (b) the 185,240,000 Placement Shares; and
- (c) up to 185,240,000 Warrant Shares upon exercise of 185,240,000 Warrants to be issued,

on the Main Board of the SGX-ST, subject to compliance with the listing requirements of the SGX-ST.

2.2 The AIP granted by the SGX-ST is subject to the following conditions:

- (a) A written undertaking from the Company that it will comply with Listing Rule 803;
- (b) A written undertaking from the Company that it will comply with Listing Rule 831;
- (c) A written undertaking from the Company that it will comply with Listing Rule 704(30) and Listing Rule 1207(20) in relation to the use of proceeds from the EDIS Subscription Shares, Placement Shares and Warrant Shares 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;
- (d) A written undertaking from the Company to announce any adjustment made to the Warrants pursuant to Listing Rule 829(1);
- (e) A written confirmation from the company that the terms of the Warrants comply with Listing Rule 829(1);
- (f) A written confirmation from the Company that it will not issue the EDIS Subscription Shares, the Placement Shares and the Warrants to persons prohibited under Rule 812(1) of the Listing Manual; and

(g) A written confirmation from the Company that, save for EDIS nominating one non-executive director to the board of the Company, the placees will not have board or management representation as a result of the Proposed Placements to them.

2.3 Please note that the SGX-ST's AIP is not to be taken as an indication of the merits of the Proposed Placements, the EDIS Subscription Shares, the Placement Shares, the Warrants, the Warrant Shares, the Company and/or its subsidiaries.

### 3 CLARIFICATION ON USE OF PROCEEDS

3.1 The breakdown of the estimated use of the gross proceeds for the EDIS Subscription Shares, the Placement Shares and the Warrant Shares (assuming exercise of the Warrants in full) is as follows:

<b>Use of gross proceeds</b>	<b>Proportion (%)</b>	<b>Amount of gross proceeds (S\$)</b>
Repayment of borrowings	40.3	2,300,000
Payment of payables	17.5	1,000,000
Working capital of the Group (including materials and testing costs, marketing and administrative expenses) and for business expansion	36.9	2,104,586
Estimated share issue expenses (including legal costs, SGX/CDP, secretarial expenses)	5.3	300,000
<b>Total</b>	<b>100.0</b>	<b>5,704,586</b>

3.2 Pending the deployment of the proceeds for the abovementioned purposes, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets instruments and/or marketable securities, and/or used for working capital or any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

- 3.3 The Company will make periodic announcements on the utilisation of the proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the stated use of proceeds and in accordance with the percentage allocation, and provide a status report on the use of the proceeds in the interim and full year financial statements and in the annual report(s) of the Company, until such time such proceeds have been fully utilised. Where the proceeds have been used for general corporate and/or working capital purposes, the Company will also announce and provide a breakdown with specific details on the use of the proceeds in the financial statements and annual reports. Where there is a material deviation in the use of the proceeds, the Company will announce the reasons for such deviation.

#### **4 UPDATE ON FUNDING TRANSACTION**

- 4.1 The Board also refers to the Company's announcement on 14 September 2021 in relation to, *inter alia*, the funding transaction from a third-party investor (the "**Funder**") in extending a one-year loan of S\$8.5 million at an interest rate of 8% per annum (the "**Loan**") to Addvalue Innovation Pte Ltd, a wholly-owned subsidiary of the Company.
- 4.2 The Board wishes to update Shareholders that the Company will not be proceeding with the Loan from the Funder in light of the recent successful fund raising exercises and given that the Funder has not completed its internal processes, including due diligence, to proceed with the Loan. As such, both parties have mutually agreed to terminate further discussions on the Loan.

#### **5 CAUTIONARY STATEMENT**

**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.**

#### **6 FURTHER ANNOUNCEMENTS**

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

**BY ORDER OF THE BOARD**

Dr Colin Chan Kum Lok  
Chairman and CEO  
29 December 2021