



ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE LISTING MANUAL

Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board of Directors (the “**Board**”) of Addvalue Technologies Ltd (the “**Company**”) wishes to inform that in respect of the audited financial statements of the Company and its subsidiaries (the “**Group**”) for the financial year ended 31 March 2021 (“**FY2021**”) (the “**FY2021 Audited Financial Statements**”), the independent auditors of the Company, Mazars LLP (the “**Independent Auditors**”), have, **without qualifying their opinion**, highlighted a material uncertainty related to going concern in respect of the ability of the Group and the Company to continue as going concerns in view of the following:

1. That the Group reported a net loss of approximately US\$6.2 million and net operating cash outflows of US\$2.8 million for FY2021 and was in a net current liability position of approximately US\$0.8 million as at 31 March 2021; and
2. That the ability of the Group and the Company as at 31 March 2021 to meet their financial obligations depends on the Group’s success:
 - (a) in completing 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 (“**AVI**”), a wholly-owned subsidiary of the Company, against a corporate guarantee to be provided by the Company pursuant to a loan agreement entered into on 13 September 2021 between AVI and the Funder; and
 - (b) in generating sufficient positive cash flows from its operations.

In addition to the Loan (the proceeds from which are expected to be received by the Company in due course), the Company continues in advanced stages of funding discussions with potential investors to further enhance the working capital position of the Group. In consideration for extending the Loan to AVI, the Funder is given the right of first refusal to participate in the Company’s such next round of funding opportunities under the same terms and conditions offered to the investors concerned.

Shareholders are advised to read the FY2021 Audited Financial Statements and the Independent Auditors' Report opined on which as contained in the Company's annual report for FY2021 and uploaded at the Company's website: www.addvaluetech.com and at SGXNet.

BY ORDER OF THE BOARD

Dr Colin Chan Kum Lok
Chairman and CEO

14 September 2021