

PRESS RELEASE



ADDVALUE SECURED FUNDING FOR UP TO S\$13.25 MILLION (COMPRISING S\$5.50 MILLION CONDITIONAL COMMITTED FUNDING AND A FURTHER POTENTIAL FUNDING OF S\$7.75 MILLION) FROM INVESTORS (INCLUDING THE LEAD INVESTOR, ECONOMIC DEVELOPMENT INNOVATIONS SINGAPORE PTE LTD) IN STRENGTHENING ITS FINANCIALS AND ENHANCING ITS PROSPECTS

Singapore, 5 December 2021 – Singapore Exchange Mainboard-listed Addvalue Technologies Ltd (“**Addvalue**” or the “**Company**”), a leading player in the mobile satellite communications industry, announced that it has secured funding for up to S\$13.25 million (comprising conditional committed funding of S\$5.50 million and a potential further funding of S\$7.75 million) (the “**Funding**”) from an array of investors (collectively, the “**Investors**”) (including certain creditors and staff of the Company and its subsidiaries (the “**Group**”) and all the directors of the Company (the “**Directors**”). The lead Investor for this funding round is Economic Development Innovations Singapore Pte Ltd (“**EDIS**”) which has entered into subscription agreements that enable it to fund the Company with up to S\$5 million, subject to conditions.

Background leading to the Funding

Subsequent to 20 November 2021, the date when the Company announced its entry into a conditional subscription agreement with PT. Tron Asia Pasifik (“**Tron**”) for the issue and allotment of 2,340,000,000 new ordinary shares in the capital of the Company (the “**Shares**”) to Tron at an issue price of S\$0.0127 each (the “**Tron Conditional Placement**”), Tron requested for an extension of time for it to fulfil certain key conditions precedent to the Tron Conditional Placement. As the Company would like to conclude its fund raising exercise expeditiously, it revisited some of the potential investors which it has had been in active discussion previously concerning its funding needs. One of whom, EDIS, responded with a keen interest to be a lead investor in continuing and spearheading the fund raising exercise of the Company. The Company subsequently responded to Tron that any funding to be so raised with it following the extension sought would need to be renegotiated as a new deal with the Tron Conditional Placement to be terminated for the

time being. Tron had accepted the Company's position and confirmed that it had no objection to the Company admitting EDIS and the other Investors for the Funding.

The Funding

The Funding, which is aimed to strengthen the financial position of the Group and enhance its business prospects, is structured to be implemented as follows:

1. up to a total of 449,180,000 new Shares to be allotted and issued in reliance on the general share issue mandate procured by the Company from its shareholders (the "**Shareholders**") on 29 September 2021 (the "**GM Tranche**"); and
2. up to a total of 594,070,000 new Shares to be allotted and issued in reliance on a specific share issue mandate to be procured by the Company from Shareholders at an extraordinary general meeting to be convened (the "**EGM Tranche**"),

as further detailed below:

Investors	Reference	Via GM Tranche	Via EGM Tranche	Total
		Up to S\$ mil	Up to S\$ mil	Up to S\$ mil
EDIS, the lead Investor	Announcement 1/4 ⁽¹⁾⁽²⁾	1.0	4.0	5.0
Other Investors	Announcement 2/4 ⁽¹⁾⁽²⁾	2.7	-	2.7
Alan Wang Yu Huei, a key creditor of the Group	Announcement 2/4 ⁽¹⁾⁽²⁾	2.0	-	2.0
Cheng Kwee Kiang, a key creditor of the Group	Announcement 3/4 ⁽¹⁾⁽²⁾	-	1.4	1.4
Directors	Announcement 4/4 ⁽¹⁾⁽²⁾	-	1.1	1.1
Staff, a creditor and a consultant of the Group	Announcement 4/4 ⁽¹⁾⁽²⁾	-	1.0	1.0
Total		5.7	7.5	13.2

Notes:

- (1) The above table is to be considered and read in conjunction with the announcements appended to this press release and marked as **Omnibus Announcement** which in turn refers to four specific announcements on the various subscription agreements entered into by the Company with the respective Investors (referred to and marked as **Announcement 1/4**, **Announcement 2/4**, **Announcement 3/4** and **Announcement 4/4** (collectively, the "**Transaction Announcements**").
- (2) The Funding exercise involves a mixture of investment arrangements and forms. Please refer to the Omnibus Announcement and the respective Transaction Announcements as indicated for further details.

Resultant Shareholding Structures of the Company

Assuming the full subscription and issuance of 449,180,000 new Shares at S\$0.0127 each (the "**Subscription Price**") under the GM Tranche and the full subscription and issuance of 594,070,000 new Shares at the Subscription Price under the EGM Tranche, the resultant shareholding structures of the Company as at the completion of each said tranche will be as follows:

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Shareholders	As at 5 Dec 2021		After the completion of GM Tranche		After the completion of GM Tranche and EGM Tranche	
	Shares	%	Shares	%	Shares	%
Directors	143,470,706	6.38	143,470,706	5.32	230,270,706	6.99
Staff of the Group	57,272,100	2.55	57,272,100	2.12	97,172,100	2.95
Mr Alan Wang Yu Huei	9,727,433	0.43	167,207,433	6.20	167,207,433	5.08
Mr Cheng Kwee Kiang	-	-	-	-	110,000,000	3.34
Rest of the Shareholders who are not an Investor	2,019,273,270	89.79	2,019,273,270	74.84	2,019,273,270	61.34
EDIS	-	-	78,700,000	2.92	393,700,000	11.96
Other Investors	19,068,466	0.85	232,068,466	8.60	274,438,466	8.34
Total	2,248,811,975	100.0	2,697,991,975	100.0	3,292,061,975	100.0

The Subscription Price represents a discount of about 3.79% to the weighted average share price of the Company of S\$0.0132 as at 26 November 2021, being the last full market day prior to the date on which the relevant subscription agreements were entered into and on which trades were recorded.

As noted in the table above (and assuming the full subscription and issuance of 449,180,000 new Shares at the Subscription Price under the GM Tranche and the full subscription and issuance of 594,070,000 new Shares at the Subscription Price under the EGM Tranche):

1. Mr Alan Wang Yu Huei will become a substantial Shareholder of the Company holding a shareholding interest of 6.20% subsequent to the completion of the GM Tranche. Following the completion of the EGM Tranche, Mr Wang will remain a substantial Shareholder of the Company with a shareholding interest of 5.08%; and
2. EDIS will become a substantial Shareholder of the Company subsequent to the completion of the EGM Tranche with a shareholding interest of 11.96%.

Use of Proceeds of the Funding

On the assumption that the Investors fully subscribed for all the new Shares offered by the Company in connection with the Funding exercise, the net proceeds of approximately S\$12.6 million from the Funding will be utilised as follows:

Use of net proceeds from the Funding	S\$ million
Repayment of borrowings	5.2
Payment of payables	2.5
Working capital of the Group (including materials and testing costs, marketing and administrative expenses) and for business expansion	4.9
Total	12.6

The Funding is expected to vastly strengthen the financial position of the Group. Based on the unaudited financial position of the Group as at 30 September 2021 as announced by the Company on 14 November 2021, on a *proforma* basis, the Funding is expected to significantly improve the financial position, in particular the gearing, of the Group as follows:

	As at 30 Sep 2021	As at 30 Sep 2021 (<i>Proforma</i>)
	US\$ million	US\$ million
Borrowings	6,567	3,305
Total Equity	6,770	15,998
Gearing (%)	97.0%	20.7%
Net Asset Value per Share (US cents)	0.30	0.49

EDIS' investment in the Company

EDIS believes that Addvalue has strong technologies in satellite communications, especially its developments in Inter-satellite Data Relay Services ("**IDRS**").

The team at EDIS will work with the Addvalue management, customers, partners, and fellow Shareholders to support Addvalue as it seeks to make its mark in the space technology industry from Singapore.

In anticipation of EDIS' initial investment, EDIS has nominated and put forward for the consideration of Addvalue, Mr Chua Chwee Koh for appointment as a non-independent and non-executive director to the Board of the Company.

Mr Chua Chwee Koh remarked that: *"With support from EDIS and other Shareholders and upon my appointment, I look forward to working closely with my fellow Directors, the new CEO and a re-energised Addvalue team, to breakout and make Addvalue the global leader in the inter-satellite communication space"*.

Dr Colin Chan Kum Lok, Chairman & CEO of Addvalue, commented: *"We are indeed honoured to have EDIS as the lead Investor and are appreciative of the support received from the rest of the Investors in putting together the Funding arrangements within a span of a week."*

The Funding ensures that adequate cash is made available to meet the needs of the Group in terms of its working capital and its intended business expansion and growth."

Dr Colin Chan added that: *"Notwithstanding the termination of the Tron Conditional Placement, we will continue to explore with Tron on the business fronts, including but not limited to potential projects, for possible collaborations that will result in a win-win outcome for both."*

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Important Note: The transactions entered into by the Company and described in this press release constitute the whole of the fund raising exercise that was undertaken by the Company on 2 December 2021. The details of each transaction (including the terms and conditions as well as information and background on each of the Investors) are set out in the Omnibus Announcement as well as the respective Transaction Announcements. Accordingly, this press release should be considered and read in conjunction with the Omnibus Announcement and the Transaction Announcements that have been issued by the Company in tandem with the release of this press release.

About Addvalue Technologies Ltd

Addvalue Technologies Ltd (A31), a Singapore Exchange Mainboard-listed, is a leading satellite-based communication solutions company. Addvalue provides state-of-the-art communication terminals for use in space, in the air, at sea and on the ground. The company also offers extensive engineering and integration services to its customers. Addvalue's expertise extends far beyond where the world's terrestrial networks end. Whatever the market or application, the company's wide range of satellite-based products and services is sure to offer the right technology to drive enhanced connectivity. For more information, visit www.addvaluetech.com

For additional information, please contact Yee Ping Tan: yeeping.tan@addvalue.com.sg

About Economic Development Innovations Singapore Pte Ltd

EDIS is a privately-owned investment and development firm. It acquires, invests in and manages businesses that develop specialized solutions to address the needs of the digital economy in areas such as tech, education and job creation. Its investments seek to create positive economic impact and long-term value for its partners.

Please refer to www.edis.sg for more information

About Mr Chua Chwee Koh

Mr Chua Chwee Koh brings with him a wealth of experience having spent 17 years with Certis CISCO in leading and transforming the business. He played a key role in integrating operations & technology in the security business and was leading the digital transformation in the last three years. He is currently a Senior Advisor in Certis. Prior to joining Certis in 2004, Mr Chua served 22 years in Singapore Armed Forces and retired with the rank of Brigadier General.