
**PLACEMENT OF 8,000,000 ORDINARY SHARES IN THE SHARE CAPITAL OF
ADDVALUE TECHNOLOGIES LTD AT S\$0.0403 FOR EACH PLACEMENT SHARE**

1. BACKGROUND

Reference is made to the announcements made by Addvalue Technologies Ltd (the "**Company**") on 12 July 2009 and 24 July 2009, whereby it was announced that the convertible loan agreement dated 30 May 2009 entered into between the Company and Grande Pacific Ltd, for the procurement of cash funding of S\$3 million through a grant of a convertible loan, convertible, in whole or in part, into a maximum of 60,000,000 new shares of the Company at S\$0.05 each, had been terminated (the "**Termination**").

In view of the Termination and to ensure that the Company meets its funding needs, the Company entered into discussions with other interested investors and, pursuant thereto, entered into:-

- (a) a subscription agreement dated 12 July 2009 with three (3) placees for the collective issuance of 30,000,000 new shares of the Company at S\$0.03836 each, for an aggregate consideration of approximately S\$1.15 million (the "**12 July Placement**"); and
- (b) two (2) subscription agreements dated 24 July 2009 with two (2) placees for the collective issuance of 18,000,000 new shares of the Company at S\$0.040202 each, for an aggregate consideration of approximately S\$0.72 million (the "**24 July Placement**").

2. ENTRY INTO NEW SHARE SUBSCRIPTION AGREEMENT

Further to the 12 July Placement and 24 July Placement, the Board of Directors of the Company wishes to announce that the Company has entered into a subscription agreement dated 26 July 2009 (the "**New Subscription Agreement**") with Mr Tan Sze Seng (the "**New Investor**"), for the issuance of 8,000,000 new shares of the Company (the "**New Subscription Shares**") at S\$0.0403 each (the "**New Subscription Price**"), for an aggregate consideration of approximately S\$0.32 million (the "**Issue Consideration**", and the subscription, the "**New Subscription**").

2.1 Conditions

The New Investor shall pay the Issue Consideration in full and in advance within five (5) market days from the date of the New Subscription Agreement, the non-payment of which shall entitle the Company to cancel the subscription by the New Investor.

Completion of the New Subscription Agreement is also conditional upon, among others:-

- (a) approval in-principle for the listing and quotation of the New Subscription Shares on the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") being obtained from the SGX-ST and not revoked or amended and, where such approval is subject to conditions, such conditions being reasonably acceptable to the New Investor; and
- (b) there having been, as at the completion of the New Subscription Agreement, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect any of the warranties contained in the New Subscription Agreement.

2.2 Information Required Pursuant to Rule 810(2) of the SGX-ST Listing Manual

S/No	Name of New Investor	Number of New Subscription Shares allocated to the New Investor	Details on how the placee was identified	Rationale for placing to the placee
1	Mr Tan Sze Seng	8,000,000	He was one of the placees for the placement exercise announced on 1 June 2009 and the 24 July Placement	To meet the Company's funding needs

2.3 Authority to Issue Shares / Convertible Securities

The authority to issue the New Subscription Shares is given pursuant to a general mandate from the shareholders of the Company by way of ordinary resolution at the Annual General Meeting held on 31 July 2008 or the new general mandate to be obtained at the next Annual General Meeting of the Company to be convened on 28 July 2009.

2.4 Financial Effects of the New Subscription

The New Subscription Price represents a discount of approximately 9.9% to the volume weighted average share price of the Company of approximately S\$0.044718 for trades done on the full market day of 23 July 2009 and the second half market day of 24 July 2009 (with trading of the shares of the Company halted for the first half market day of 24 July 2009 while pending the announcement of the 24 July Placement). 23 July 2009 and 24 July 2009, being the market days for which the shares of the Company were traded for one and a half market days immediately prior to 26 July 2009, the date on which the New Subscription Agreement was signed.

Assuming the completion of both the 12 July 2009 Placement and the 24 July Placement, the New Subscription Shares, upon allotment and issuance, will increase the issued and paid-up share capital of the Company by approximately 0.9% from 895,905,813 ordinary shares to 903,905,813 ordinary shares on an enlarged basis as at the date of completion of the New Subscription (excluding all the prevailing 12,045,000 outstanding options issued pursuant to the Company's Employee Share Option Scheme which are capable of being exercised into the same equivalent number of shares of the Company).

2.5 Use of Proceeds

The net proceeds from the New Subscription, after deducting expenses pertaining thereto, are estimated at approximately S\$0.3 million. The net proceeds will be used for general working capital.

3. GENERAL

None of the Directors of the Company has any interest, direct or indirect, in the New Subscription.

The Company will be making an application to the SGX-ST for the listing and quotation of the New Subscription Shares.

BY ORDER OF THE BOARD

Dr Chan Kum Lok Colin
Chairman and CEO

26 July 2009