
S\$3 MILLION CONVERTIBLE LOAN AGREEMENT ENTERED INTO BETWEEN ADDVALUE TECHNOLOGIES LTD (THE “COMPANY”) AND INMARSAT SERVICES LIMITED ON 12 JUNE 2009 IN FORMALISING THE TERM SHEET ENTERED INTO BETWEEN THE TWO PARTIES ON 29 MAY 2009

1. Background

Reference is made to the announcement made by the Company on 1 June 2009 (the “Announcement”).

In the Announcement, it was stated that the Company had signed a term sheet dated 29 May 2009 with a third party (the “Term Sheet”) for a funding of S\$3 million (or the US\$ equivalent) in cash through a convertible loan (the “Convertible Loan”), convertible into new shares of the Company (the “Conversion Shares”) at a conversion price of S\$0.05 each (the “Conversion Price”).

The Board of Directors of the Company is pleased to announce that the Company had on 12 June 2009 entered into a convertible loan agreement with the third party, namely Inmarsat Services Limited (“Inmarsat”), formalising the terms set out in the Term Sheet (the “Convertible Loan Agreement”).

2. Salient terms of the Convertible Loan Agreement

The salient terms of the Convertible Loan under the Convertible Loan Agreement, among others, are:-

- (a) the proceeds from the Convertible Loan may be drawdown in tranches by the Company, each tranche at a minimum amount of S\$1 million or if less, the balance of the Convertible Loan available for drawdown, at any time prior to 26 February 2010¹, being one (1) month before the maturity date of the Convertible Loan on 31 March 2010 (the “Maturity Date”);
- (b) interest on the Convertible Loan is payable monthly in arrears, based on the outstanding drawdown amount, at the rate of 12% per annum, from 1 September 2009 until the Convertible Loan is converted or redeemed in accordance with the terms of the Convertible Loan Agreement; and
- (c) the Convertible Loan may be converted, in whole or in part, in tranches, at the option of Inmarsat, into a maximum of 60,000,000 Conversion Shares (subject to adjustment in the event of changes in the capitalisation structure of the Company, other than pursuant to certain limited exceptions) at the Conversion Price of S\$0.05 each prior to the Maturity Date.

¹ This assumes that 26 February 2010 is a Business Day in London and Singapore.

3. Conditions precedent

A utilisation request (the "**Utilisation Request**") to drawdown the Convertible Loan may be delivered by the Company pursuant to the Convertible Loan Agreement if, among other things:-

- (a) certain initial conditions precedent to the Utilisation Request are satisfied, including, but not limited to, the execution of:-
 - (i) a security agreement, entered into between (i) the Company and its subsidiary, Addvalue Communications Pte. Ltd. ("**AV Communications**"), as security providers, to secure the obligations of the Company pursuant to the terms of the Convertible Loan Agreement and (ii) Inmarsat, as beneficiary; and
 - (ii) an intercreditor agreement(s) entered into between (i) the Company and its subsidiary, AV Communications, (ii) Inmarsat and (iii) certain existing lenders to the Company and/or AV Communications (the "**Existing Lenders**"), in relation to the scheduling of the payment obligations of the Company and/or AV Communications with the Existing Lenders, in form and substance acceptable to Inmarsat in its sole discretion;
- (b) no default under the Convertible Loan Agreement is continuing or would result from the draw down of the loan pursuant to the Utilisation Request; and
- (c) certain repeating representations made to Inmarsat by the Company under the Convertible Loan Agreement are true in all material respects.

In addition, the conversion of the Convertible Loan is conditional upon, among other things, the approval in-principle for the listing and quotation of the Conversion Shares on the main board of the SGX-ST being obtained from the SGX-ST and remaining in full force and effect on the relevant conversion date.

4. About Inmarsat

Inmarsat is wholly-owned by Inmarsat plc, a long time business partner of the Company. Inmarsat plc is the leading provider of global mobile satellite communications. Since 1979, it has been providing reliable voice and high-speed data communications to governments, enterprises and other organisations, with a range of services that can be used on land, at sea or in the air. The company's services are delivered through a global network of more than 500 distribution partners and service providers operating in 180 countries. For the year ended 31 December 2007, Inmarsat plc registered a total revenue of US\$576.5 million.

5. General

None of the Directors of the Company has any interest, direct or indirect, in the Convertible Loan.

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

BY ORDER OF THE BOARD

Dr Chan Kum Lok Colin
Chairman and CEO

12 June 2009