
PLACEMENT OF 94,000,000 ORDINARY SHARES IN THE SHARE CAPITAL OF ADDVALUE TECHNOLOGIES LTD (THE “COMPANY”) AT S\$0.035 FOR EACH PLACEMENT SHARE

1. ENTRY INTO NEW SHARE SUBSCRIPTION AGREEMENTS

The Board of Directors of the Company wishes to announce that the Company has entered into subscription agreements dated 16 July 2010 (the “**New Subscription Agreements**”) separately with each of Mr Tan Kim Seng, Mr Tan Chong Huat, Ms Cheong Ji-Nin and Crest Capital Asia Pte Ltd (collectively, the “**New Investors**”), for the allotment and issuance of 16,000,000, 16,000,000, 16,000,000 and 46,000,000 new shares in the share capital of the Company respectively (collectively, the “**New Subscription Shares**”), at an issue price of S\$0.035 per new share (the “**New Subscription Price**”), for an aggregate consideration of approximately S\$3.3 million (the “**Issue Consideration**”, and the subscription, the “**New Subscription**”).

1.1 Conditions

The New Investors, who are not acting in concert with each other, shall pay the Issue Consideration in full within three (3) days of the date of the New Subscription Agreements, the non-payment of which shall entitle the Company to cancel the subscription by the New Investor concerned.

Completion of the New Subscription Agreements 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 Investors; and
- (b) there having been, as at the completion of the New Subscription Agreements, 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 Agreements.

1.2 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 placees were identified	Rationale for placing to the placees
1	Mr Tan Kim Seng	16,000,000	An existing shareholder of the Company	To meet the funding needs of the Company and its subsidiaries (the " Group ")
2	Mr Tan Chong Huat	16,000,000	An existing shareholder of the Company	To meet the funding needs of the Group
3.	Ms Cheong Ji-Nin	16,000,000	An existing shareholder of the Company	To meet the funding needs of the Group
4.	Crest Capital Asia Pte Ltd	46,000,000	Affiliated to an existing shareholder of the Company and an existing financier for a S\$4.75 million trade financing facility granted to a subsidiary of the Company	To meet the funding needs of the Group

1.3 Authority to Issue Shares / Convertible Securities

The authority to issue the New Subscription Shares was given pursuant to a general mandate from the shareholders of the Company by way of ordinary resolution at the Annual General Meeting held on 28 July 2009.

In the event that the completion for the New Subscription falls after 28 July 2010, subject to the Company obtaining a new general mandate at the upcoming Annual General Meeting of the Company scheduled on 28 July 2010 (the "**New General Mandate**"), the Company shall allot and issue the New Subscription Shares under the authority of the New General Mandate.

1.4 Financial Effects of the New Subscription

The New Subscription Price represents a discount of approximately 6.4% to the volume weighted average share price of the Company of approximately S\$0.0374 for trades done on the full market day of 15 July 2010 and the half market day of 16 July 2010 prior to the trading halt in facilitating the signing of the New Subscription Agreements on 16 July 2010.

The New Subscription Shares, upon allotment and issuance, will increase the issued and paid-up share capital of the Company by approximately 9.4% from 903,905,813 ordinary shares to 997,905,813 ordinary shares on an enlarged basis as at the date of completion of the New Subscription (excluding all share options pursuant to the Company's Employee Share Option Scheme which are capable of being exercised into the shares of the Company).

1.5 Use of Proceeds

The net proceeds from the New Subscription, after deducting expenses pertaining thereto, are estimated at approximately S\$3.0 million. The net proceeds will be used for the general working capital of the Company.

2. 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

16 July 2010