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

Pursuant to Rule 704(5) of the Listing Manual, the Board of Directors of Addvalue Technologies Ltd (the “Company”) wishes to announce that, in respect of the financial statements of the Company and its subsidiaries (the “Group”) for the financial year ended 31 March 2010 (“FY2010”), notwithstanding that the Group attained a profit after tax of about S\$325,000 for the fourth financial quarter of FY2010 and significantly improved its negative working capital position by about 43.7% from about S\$4,942,979 as at 31 March 2009 to about S\$2,784,837 as at 31 March 2010, the external auditors, Horwath First Trust LLP (the “Auditors”), has, **without qualifying their opinion**, made an emphasis of matter in connection with the following:-

- (a) That the Group incurred a net loss of approximately S\$3,214,838 during FY2010 and was in a net current liability position of approximately S\$2,784,837 as at 31 March 2010; and
- (b) As at 31 March 2010, the ability of the Group and the Company to meet their financial obligations depends on the Group’s success in implementing its plans to generate sufficient positive cash flows from its operations.

While the Group has plans in place to generate sufficient positive cash flows from operations, it will continue to explore other funding opportunities to further enhance its working capital position.

BY ORDER OF THE BOARD

Dr Chan Kum Lok Colin
Chairman and CEO

5 July 2010