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**PLACEMENT OF 18,000,000 ORDINARY SHARES IN THE SHARE CAPITAL OF  
ADDVALUE TECHNOLOGIES LTD AT S\$0.040202 FOR EACH PLACEMENT SHARE**

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**1. BACKGROUND**

Reference is made to the announcement made by Addvalue Technologies Ltd (the "**Company**") on 12 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 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 "**Placement**").

**2. ENTRY INTO NEW SHARE SUBSCRIPTION AGREEMENTS**

Further to the Placement, the Board of Directors of the Company wishes to announce that the Company has entered into subscription agreements dated 24 July 2009 (the "**New Subscription Agreements**") with each of Mr. Tan Sze Seng and Mr. Goh Peng Tong (collectively, the "**New Investors**"), for the respective issuance of 13,000,000 and 5,000,000 new shares of the Company (collectively, the "**New Subscription Shares**") at S\$0.040202 each (the "**New Subscription Price**"), for an aggregate consideration of approximately S\$0.72 million (the "**Issue Consideration**"), and the subscription, the "**New Subscription**").

**2.1 Conditions**

The New Investors shall pay the Issue Consideration in full and in advance within five (5) market days from 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.

## 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 placees were identified	Rationale for placing to the placees
1	Mr. Tan Sze Seng	13,000,000	He was one of the placees for the placement exercise as announced on 1 June 2009	To meet the Company's funding needs
2	Mr. Goh Peng Tong	5,000,000	He was a business associate to one of the placees for the Placement	To meet the Company's funding needs

## 2.3 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 31 July 2008.

## 2.4 Financial Effects of the New Subscription

The New Subscription Price represents a discount of approximately 10.0% to the volume weighted average share price of the Company of approximately S\$0.044669 for trades done on the full market day of 23 July 2009, which is the market day immediately prior to 24 July 2009, the date on which the New Subscription Agreements was signed.

The New Subscription Shares, upon allotment and issuance, will increase the issued and paid-up share capital of the Company by approximately 2.0% from 877,905,813 ordinary shares to 895,905,813 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\$0.6 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

24 July 2009