

INNOVALUES LIMITED
Company Registration No. 199702822E
(Incorporated in Singapore)

**INCORPORATION OF A SUBSIDIARY IN THE PEOPLE'S REPUBLIC OF CHINA
("PRC")**

The Board of Directors of Innovalues Limited (the "Company") wishes to announce that Innovalues Industry (Shanghai) Co., Ltd, its wholly-owned subsidiary, has incorporated a wholly-owned subsidiary in the People's Republic of China ("PRC") known as Shenzhen Innovalues Precision Co., Ltd with a registered capital of RMB1 million.

The principal activity of Shenzhen Innovalues Precision Co., Ltd is that of precision engineering, manufacturing and sale of precise engineered turn parts and machinery.

Shenzhen Innovalues Precision Co., Ltd has been granted a business licence for an operation period of 10 years by the Chinese authority from 25 November 2010 (date of incorporation).

The transaction will be funded by internal funds and is not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of the Group (the "Company and its subsidiaries") for the financial year ending 31 December 2010.

None of the Directors, substantial shareholders or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction (other than through their shareholding interests in the Company).

By Order of the Board

Goh Leng Tse
Chairman & CEO

1 December 2010