ADVANCE SCT LIMITED
(Company Registration Number: 200404283C)

UPDATE ON LEGAL PROCEEDINGS IN RESPECT OF TERMINATION OF PROPOSED ACQUISITION

The Board of Directors (the "**Board**") of Advance SCT Limited (the "**Company**") refers to its announcements (the "Announcements") dated 24 August 2011, 27 April 2012, 3 May 2012, 16 September 2012, 31 December 2012, 26 July 2013, 12 August 2013, 20 August 2013, 11 October 2013, 18 May 2015, 14 August 2015, 3 September 2015, 20 September 2015, 8 October 2015, 29 December 2015, 11 January 2016, and 1 February 2016 (the "**Previous Announcements**") in relation to the proposed acquisition of working capital in China (the "**Proposed Acquisition**"), the securities borrowing agreements ("**SBA**") entered into by CNCM Capital Pte. Ltd. in relation to the Proposed Acquisition, and the legal proceedings arising from the termination of the Proposed Acquisition.

Unless otherwise defined herein, all capitalised terms used shall have the same meanings ascribed to them in the Previous Announcements.

As disclosed previously, Advance SCT (Qingyuan) Co. Ltd. ("**ASCT Qingyuan**") had on 16 September 2015 made an application to the Guangzhou Intermediate People's Court to set aside the Arbitration Award. The Guangzhou Intermediate People's Court had on 2 December 2016, in accordance with Article 274 of the Arbitration Law of the People's Republic of China, rejected ASCT Qingyuan's application. The reasons for denying the application were, *inter alia,*:

(a) the composition of the Arbitration Commission did not contravene any procedural laws relating to the arbitration proceedings; and

(b) there was insufficient evidence to prove that the Arbitration Commission did not have the authority in the grant of the Arbitration Award.

The Company has received the court notice on 5 Jan 2017 and studied the judgment carefully with its legal advisers in the People's Republic of China. It will assess further steps that may be required. Further announcements would be made if there were material developments.

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board
Advance SCT Limited

Simon Eng
Chief Executive Officer
12 January 2017