ADVANCE SCT LIMITED
(Company Registration Number: 200404283C)
(Incorporated in Singapore)

UPDATE ON PROPOSED SCHEME OF ARRANGEMENT

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1. INTRODUCTION

1.1. The Board of Directors ("**Board**") of Advance SCT Limited (the "**Company**") refers to the Company's previous announcements of 12 August 2016, 24 August 2016, 14 November 2016, 1 March 2017, and 5 April 2017.

1.2. The Company announced on 5 April 2017 that one of its creditors (the "**Objecting Creditor**") had objected to the adjudication of debts under the Company's proposed scheme of arrangement (the "**Scheme**"), and that the Honourable Court ruled on 5 April 2017 that the Scheme manager's set-off of the first of two parts of the Objecting Creditor's claim had been carried out incorrectly.

2. UPDATE ON THE SCHEME

2.1. The incorrectness of the set-off applied to the Objecting Creditor's claim against the Company would have the effect of depriving the Objecting Creditor of a larger share of votes for the purposes of voting on the Company's proposed Scheme at the Scheme meeting of 29 April 2016.

2.2. The reinstated votes would have given the Objecting Creditor more than 25% of the votes for the purposes of voting on the Company's proposed Scheme, and therefore the Scheme cannot be considered to have been successfully approved by the Company's creditors.

2.3. Having explored its legal options, the Company has consented to the dismissal of its originating summons for the Court's approval of the Scheme, the lifting of the stay of legal proceedings granted by the Honourable Court on 1 March 2016 (subsequently extended on 29 March 2016), and the withdrawal of its summons relating to the proposed approval of the Scheme.

2.4. The Company has been negotiating with the Objecting Creditor for a settlement. A settlement proposal has now been tabled for consideration by the relevant parties. The Company's consent to the dismissal will facilitate the proposed settlement.

3. GENERAL

3.1. The Company will continue to keep the SGX-ST, shareholders and the investing public updated on any material developments on a timely basis.

3.2. Shareholders and the public are advised to continue to exercise caution before making any decision in respect of their dealings in the Company's shares. 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
24 May 2017