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 and 11 January 2016 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. ("**CNCM**") in relation to the Proposed Acquisition, and the legal proceedings arising from the termination (the "**Termination**") of the Proposed Acquisition.

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

As announced on 29 December 2015, the Singapore High Court granted the Company's application for a stay on the enforcement of the Arbitration Award for either (i) the duration of 1 year; or (ii) up to the determination of Advance SCT (Qingyuan) Co. Ltd's application to the Guangzhou Intermediate People's Court to set aside the Arbitration Award, whichever is the sooner, conditional on the Company providing QYSCM with security for the sum of USD 5 million (US$ 5,000,000) in the form of an irrevocable banker's guarantee furnished by a reputable bank or financial institution in Singapore (the "**Banker's Guarantee**") by 5 p.m. on 1 February 2016, failing which the stay would be lifted without further order (with liberty to parties to agree to a later date).

The Company would like to announce that the Company have initiated discussions with QYSCM's solicitors in Singapore for an extension of the deadline to provide the Banker's Guarantee.

Further announcements will be made in connection with the progress of the discussions with QYSCM as well as the progress of the legal proceedings as and when there are material developments.

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company in relation to this announcement. 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
Executive Chairman and Chief Executive Officer
1 February 2016