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 and 11 October 2013 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. There was no announcement by the Company after 11 October 2013 as there were multiple postponements of the arbitration.

The Company has today received notice of the award by the Guangzhou Arbitration Commission (the "**Arbitration Commission**"). A summary of the award (the "**Arbitration Award**") is as follows:

> Regarding the claim by Qing Yuan Shengli Copper Material Co. Ltd. ("**QYSCM**") against the Company and Advance SCT (Qingyuan) Co. Ltd. ("**ASCT(QY)**"), the Arbitration Commission found merit in the Company and ASCT(QY)'s submission that ASCT(QY) had already returned the assets obtained pursuant to the Proposed Acquisition, and held conversely that there was no merit in fact or in law for the sum of RMB40 million claimed by QYSCM. However, because ASCT(QY) had utilised the assets between August 2011 and June 2012, the Company and ASCT(QY) was to pay RMB6.08 million to QYSCM in utilisation and late payment fees. On the issue of disputed rent payments, the Arbitration Commission accepted that due to non-compliance of certain terms of the lease by QYSCM, the Company and ASCT(QY) would not have to pay the full sum of rent under the lease agreement with QYSCM. Conversely, the Company and ASCT(QY) would only have to pay RMB1.3 million in rental and late payment fees. On the issues of scrap metal license fees, working capital and inventory, the Arbitration Commission awarded the following sums in QYSCM's favour: RMB3 million for the license fees, RMB1.5 million for working capital, and RMB3 million for the return of inventory and interest owed. Furthermore, on the issue of returning bright copper inventory and transport charges, the Arbitration Commission awarded RMB2.2 million in favour of QYSCM. Finally, the Arbitration Commission held that the Company and ASCT(QY) would have to bear RMB1.5 million of QYSCM's legal fees, and return RMB129,859 in arbitral award sums previously paid by QYSCM. In total, the sum awarded to QYSCM is an estimated RMB18.8 million.
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> Regarding the counterclaim by the Company and ASCT(QY) against QYSCM, the Arbitration Commission held that there was insufficient evidence to support the counterclaim of RMB30 million, and declined to make a ruling for this sum. Instead, the Arbitration Commission recommended that this issue in dispute be resolved via other legal means. Furthermore, the Arbitration Commission held that it did not have the jurisdiction to hear the additional counterclaim sum of RMB8.7 million, and recommended that the Company and ASCT(QY) pursue this aspect of its claim through a more appropriate forum.

In addition, the Company has been added as a defendant to the counterclaim in the suit between CNCM and QYSCM (the "**Counterclaim**"). On 21 April 2014, CNCM issued a writ of summons on QYSCM to claim for the return of shares lent to QYSCM's nominees under the SBA between CNCM

and QYSCM. On 17 December 2014, QYSCM issued its reply and counterclaim, adding the Company as a defendant to the counterclaim on the basis that CNCM is the Company's agent, and the Company is therefore liable as principal. On 14 January 2015, the Company issued its defence to the counterclaim, denying that CNCM had acted on behalf of the Company as agent, and that there was no merit to QYSCM's addition of the Company as a defendant to QYSCM's counterclaim.

The Company is currently seeking legal advice on the above developments in relation to the Arbitration Award and the Counterclaim. Further announcements will be made as and when there are material developments.

Shareholders and potential investors of the Company 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
Chief Executive Officer
18 May 2015