ADVANCE SCT LIMITED
(Company Registration Number: 200404283C)

DEBT CAPITALISATION EXERCISE AND THE RCB ISSUANCE
RECEIPT OF APPROVAL IN-PRINCIPLE

The board of directors ("**Board**") of Advance SCT Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to its previous announcement dated 21 December 2017 and 5 February 2018 regarding the Debt Capitalisation Exercise and the RCB Issuance (the "**Previous Announcements**"). Unless otherwise defined, all capitalised terms herein shall have the same meaning as ascribed to them in the Previous Announcements.

The Board wishes to announce that the SGX-ST had on 5 February 2018, granted its approval in-principle (the "**AIP**") for the listing of and quotation for:

(a) up to 22,374,343,660 Capitalisation Shares, subject to, *inter alia*, the following conditions:

(i) compliance with the SGX-ST's listing requirements;

(ii) the approval of Shareholders for the Proposed Transactions;

(iii) submission of a written confirmation from the Company that it will comply with Rule 803 of the Listing Manual in respect of the creditors of the Company under the Debt Capitalisation Exercise (other than Mr. Zhang);

(iv) submission of a written confirmation from the Company that it will not place the Capitalisation Shares to persons prohibited under Rule 812(1) of the Listing Manual without specific Shareholders' approval; and

(v) disclosure in the Circular the basis for the Board's opinion that the Debt Capitalisation Exercise (at an issue price of 50% discount to the last traded volume weighted average price of $0.001 on 29 October 2015) is in the interest of the Company and the minority Shareholders,

(b) up to 4,000,000,000 Conversion Shares, subject to, *inter alia*, the following conditions:

(i) compliance with the SGX-ST's listing requirements;

(ii) the approval of Shareholders for the Proposed Transactions;

(iii) submission of a written confirmation from the Company that the terms of the RCB comply with Rule 829(1) of the Listing Manual;

(iv) submission of a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the RCB and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report of the Company;

(v) submission of a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual;

(vi) submission of a written undertaking from the Company that it will not place the RCB to persons prohibited under Rule 812(1) of the Listing Manual;

(vii) submission of a written undertaking from the Company to announce any adjustments made pursuant to Rule 829(1) of the Listing Manual; and

(viii) disclosure in the Circular the basis for the Board's opinion that the RCB Issuance (at an issue price of 50% discount to the last traded volume weighted average price of $0.001 on 29 October 2015) is in the interest of the Company and the minority Shareholders.

The approval-in principle granted by the SGX-ST for the listing of and quotation for the Capitalisation Shares and the Conversion Shares is not an indication of the merits of the Debt Capitalisation Exercise, the Capitalisation Shares, the RCB Issuance, the Conversion Shares, the Company and/or its subsidiaries.

The Company will proceed to satisfy the conditions of the AIP and provide the relevant disclosures, confirmations and undertakings as applicable, to the SGX-ST in due course.

A circular to Shareholders, containing, *inter alia*, the notice of EGM, information on the Proposed Transactions and the recommendation of the Directors, will be despatched to Shareholders in due course.

By Order of the Board
Advance SCT Limited

Simon Eng
Chief Executive Officer
5 February 2018