

ADVANCE MODULES GROUP LIMITED

(Company Registration No. 200401776E)

UNDERTAKING TO INDEMNIFY AND COLLECTION OF OUTSTANDING AMOUNTS

Further to their announcement of 20 August 2006, the Directors of Advance Modules Group Limited (the "Company") wish to announce that Mr Vincent Tan Hian Chong ("Vincent Tan"), the Managing Director of the Company had given instructions to his bank for the remittance of US\$1.2 million to the Company, and the Company expects to receive the cleared sum by the end of the week. This payment by Mr Vincent Tan to the Company is pursuant to the indemnity dated 27 June 2006 given by Mr Vincent Tan to the Company (the "Indemnity"), in fulfillment of the first of the twelve equal monthly installment payments under the Indemnity.

Notwithstanding the receipt of the abovementioned payment from Mr Vincent Tan, the Company will continue to pursue the outstanding sum from its customer (the "Buyer"). On 18 September 2006, the Company received the final draft of the letter of credit ("LC") for the total outstanding sum of US\$14.4 million from the Buyer and expects to receive the final LC soon. Once the LC is received and drawdown of the LC proceeds has been received by the Company, the Company will refund to Mr Vincent Tan, the relevant monies paid by him pursuant to his obligations under the Indemnity.

The Company has since adopted clear guidelines in the Company's credit evaluation and debt collection procedures to ensure prompt recovery of debts. The Company has also instructed its legal counsel in China to take immediate legal action against its other customer, Promit Technology Corporation, for the remaining payment of approximately USD1.2 million which has been outstanding since June 2006. The Company will provide updates on this matter duly.

BY ORDER OF THE BOARD
ADVANCE MODULES GROUP LIMITED

Hee Woon Loong
Director

02 October 2006

The initial public offering of the Company's shares was sponsored by Westcomb Capital Pte Ltd.