

ADVANCE MODULES GROUP LIMITED
(Company Registration No. 200401776E)

UNDERTAKING TO INDEMNIFY

Further to the announcements of 16 February 2007, the Directors of Advance Modules Group Limited (the Company) wish to announce that the Company has on 2nd July 2007, received the sum of approximately US\$628,000 from Mr Vincent Tan Hian Chong (Mr Tan), the Managing Director of the Company. This payment represent part of his undertaking to indemnify the Company for the sum of US\$14,388,425 pursuant to the indemnity dated 27 June 2006 provided by Mr Tan to the Company (Indemnity), the details of which were announced by the Company on 20 August 2006.

The Company has on 5 October 2006 received approximately US\$1 million from Mr Tan. The remaining amount pursuant to the Indemnity to date after considering the advance payment of US\$161,128 made by Mr Tan is approximately US\$10.2 million. To date, the Company has received a collection of US\$2.96 million on 9 February 2007 and US\$2.1 million on 11 April 2007 from the customer. Notwithstanding the Indemnity from Mr Tan, the Company will continue to pursue the outstanding sum of approximately US\$9.32 million from the Buyer. The Company will provide further updates on this matter duly.

BY ORDER OF THE BOARD
ADVANCE MODULES GROUP LIMITED

Vincent Tan Hian Chong
Director

5th July 2007