ADVANCE SCT LIMITED
(Registration No. 200404283C)

UNAUDITED FINANCIAL STATEMENTS FOR QUARTER ENDED 31 MARCH 2018 ("1Q FY2018").

PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENTS FOR FIRST QUARTER RESULTS.

1(a)(i) A statement of comprehensive income for the Group together with a comprehensive statement for the corresponding period of the immediately preceding financial period.

		Group		
	Note	1Q FY2018	1Q FY2017	Inc / (Dec)
		S$'000	S$'000	
Continuing operations				
Revenue	**1**	18,325	21,253	-14%
Cost of sales		(17,894)	(20,901)	-14%
Gross profit		**431**	**352**	22%
Administrative expenses	**2**	(257)	(157)	64%
Finance costs	**3**	(45)	(23)	96%
Operating profit before income tax		**129**	**172**	-25%
Other expenses - net	**4**	(5)	(47)	-89%
Profit before income tax		**124**	**125**	-1%
Income tax		-	-	n.m
Profit after income tax	**5**	**124**	**125**	-1%

n.m = not meaningful

Notes

1. Group's turnover decreased by 14% in 1Q FY2018 to S$18.3 million for the three months ended 31 March 2018 ("1Q FY2018"), compared to the quarter ended 31 March 2017 ("1Q FY2017") but gross margin has improved, resulting in a 22% increase in gross profit. In response to a significant rise in metal prices during the quarter, the Group had reduced trading volume.

2. Administrative expenses in 1Q FY2018 have increased mainly due to the building up of a physical presence in China to better manage the sourcing and sale of materials as well as their movement and storage in third-party warehouses.

3. Higher finance cost in 1Q FY2018 compared to 1Q FY2017 is due to increase in short term borrowings.

4. Net other expenses of S$5,000 is mainly due to unrealised loss on foreign currency (USD) of about $11,000 against a realised gain of $5,000.

1(a)(ii) The net profit attributable to shareholders includes the following charges/ (credits).

	Group	
	1Q FY2018 S$'000	**1Q FY2017** S$'000
1.1 **Profit before income tax is arrived at after charging the following:**		
Finance cost	(45)	(23)
1.2 **Other expenses - net comprises principally the following:**		
Write off of other payables	-	-
Realised foreign exchange gain	5	1
Unrealised foreign exchange loss	(11)	(50)
Government grant	1	-
Miscellaneous income	-	2
	(5)	(47)

1(a)(iii) Consolidated Statement of Comprehensive Income.

	Group		
	1Q FY2018 **S$'000**	**1Q FY2017** **S$'000**	**Inc / (Dec)**
Profit after income tax	124	125	-1%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Net income/(loss) relating to foreign currency translation differences arising from consolidation	6	(12)	n.m
Total comprehensive profit for the period attributable to the owners of the company	**130**	**113**	

n.m = not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

		Group		Company	
		31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
		S$'000	S$'000	S$'000	S$'000
Non-current assets					
Investment in subsidiaries		-	-	2	2
Current assets					
Trade receivables	**1**	2,061	7,753	-	-
Other receivables	**2**	285	13	407	10
Cash and cash equivalents		2,681	490	36	32
Current assets		5,027	8,256	443	42
Total Assets		**5,027**	**8,256**	**445**	**44**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital		209,281	196,454	209,281	196,454
Capital reserve		(654)	(654)	-	-
Share options reserve		544	544	544	544
Forex translation reserve		5	(1)	-	-
Accumulated losses		(209,008)	(209,132)	(212,071)	(211,812)
Total Equity		168	(12,789)	(2,246)	(14,814)
LIABILITIES					
Trade payables	**1**	2,149	6,854	-	-
Other payables	**3**	1,210	1,260	1,191	3,096
Borrowings	**4**	1,500	12,931	1,500	11,762
		4,859	21,045	2,691	14,858
Total Equity and Liabilities		**5,027**	**8,256**	**445**	**44**

Notes

1. Trade receivables of S$2.1 million and trade payables of S$2.1 million are related to the trading of metal products in Asiapac Recycling Pte Ltd as at 31 March 2018.

2. Other receivables consist of prepayment and non-trade related deposit.

3. Other payables of S$1.2 million is related to non-trade payables and accrual of operating expenses.

4. Borrowings as at 31 March 2018 decreased to S$1.5 million after the Debt Capitalisation Exercise ("DCE") which was approved by shareholders at the Extraordinary General Meeting ("EGM") on 27 February 2018.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	As at 31 March 2018		As at 31 December 2017	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Borrowings	-	1,500	1,241	11,690

1(c) A statement of cash flow (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	1Q FY2018	**1Q FY2017**
	S$'000	**S$'000**
Cash flows from operating activities		
Profit after tax from continuing operations	124	125
Adjustments for :		
Unrealised future trading loss	-	119
Unrealised foreign exchange loss	11	50
Interest and bank charges	45	23
Operating cash flow before working capital changes	180	317
Working capital changes		
Trade and other receivables	5,415	(489)
Trade and other payables	(4,892)	608
Cash generated from operations	703	436
Interest paid	(45)	(23)
Net cash generated from operating activities	**658**	**413**
Cash flows from financing activities		
(Repayment of)/Proceeds from borrowings, net	(407)	50
Proceed from issuance of Redeemable Convertible Bond, net	1,940	-
Net cash generated from financing activities	**1,533**	**50**
Net change in cash and bank balances	2,191	463
Cash and bank balances at beginning of financial period	490	68
Cash and bank balances at end of financial period	**2,681**	**531**

Notes

Net cash flow of S$658,000 generated from operating activities in 1Q FY2018.

Net cash generated from financing activities is mainly due to the issuance of Redeemable Convertible Bond.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Capital reserve	Share options reserve	Currency translation reserve	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
Balance as at 1 January 2018	**196,454**	**(654)**	**544**	**(1)**	**(209,132)**	**(12,789)**
Net profit for the financial year	-	-	-	-	124	124
Debt Capitalisation Exercise	11,187	-	-	-	-	11,187
Redeemable Convertible Bond issuance	2,000	-	-	-	-	2,000
Issue expenses	(360)	-	-	-	-	(360)
Foreign currency translation	-	-	-	6	-	6
Total comprehensive income for the year	12,827	-	-	6	124	12,957
Balance as at 31 March 2018	**209,281**	**(654)**	**544**	**5**	**(209,008)**	**168**

	Share capital	Capital reserve	Share options reserve	Currency translation reserve	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
Balance as at 1 January 2017	196,454	(654)	544	15	(210,640)	(14,281)
Net profit for the financial period	-	-	-	-	125	125
Foreign currency translation	-	-	-	(12)	-	(12)
Total comprehensive profit for the year	-	-	-	(12)	125	113
Balance as at 31 March 2017	**196,454**	**(654)**	**544**	**3**	**(210,515)**	**(14,168)**

	Share capital	Share options reserve	Accumulated losses	Total
	S$'000	S$'000	S$'000	S$'000
Company				
Balance as at 1 January 2018	196,454	544	(211,812)	(14,814)
Debt Capitalisation Exercise	11,187	-	-	11,187
Redeemable Convertible Bond issuance	2,000	-	-	2,000
Issue expenses	(360)	-	-	(360)
Net loss for the financial period	-	-	(259)	(259)
Balance as at 31 March 2018	**209,281**	**544**	**(212,071)**	**(2,246)**

	Share capital	Share options reserve	Accumulated losses	Total
	S$'000	S$'000	S$'000	S$'000
Company				
Balance as at 1 January 2017	196,454	544	(211,835)	(14,837)
Net loss for the financial period	-	-	(158)	(158)
Balance as at 31 March 2017	**196,454**	**544**	**(211,993)**	**(14,995)**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash, or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as the end of the corresponding period of the immediately preceding financial year.

	Number of shares '000	S$ '000
Ordinary shares issued		
As at 1 January 2018	14,942,564	196,454
Debt Capitalisation Exercise	22,374,344	11,187
Conversion of Redeemable Convertible Bond	4,000,000	2,000
Expenses	-	(360)
As at 31 March 2018	41,316,908	209,281

2. Whether the figures had been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures had been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements had been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as with the audited financial statement as at 31 December 2017.

5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group had adopted the Singapore Financial Standards ("SFRS") including improvements to SFRS and interpretations of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2017. Where applicable, the application of these standards did not have any significant impact on the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year after deducting any provision for preference dividends.

	Group	
	1Q FY2018	**1Q FY2017**
	cents	cents
Continuing Operations		
Earning per share for the Group attributable to equity holders of the Company		
i) Basic	0.0003	0.0008
ii) On a fully diluted basis	0.0003	0.0008

Basic earnings per share for 1Q FY2018 and 1Q FY2017 were calculated based on the weighted average number of shares of 41,316,908,000 and 14,942,564,000 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) Current financial period reported on; and
(b) Immediately preceding financial year

	Group		Company	
	31-Mar-18	**31-Dec-17**	**31-Mar-18**	**31-Dec-17**
	Cents	Cents	Cents	Cents
NAV per share based on issued share capital as at the end of the period	0.0004	(0.0856)	(0.0054)	(0.0991)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Please refer Note in 1(a), 1(b) and 1(c).

9. Where a forecast, or a prospect statement, had been previously disclosed to shareholders, any variance between it and the actual results.

No material variance noted from previous prospect statement.

10. A commentary at the date of the announcement of the significant trends and the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Company was placed on the SGX Watchlist on 4 March 2015 and has submitted an application to the SGX on 2 March 2018 to exit the Watchlist in accordance with Rule 1314(1). In the submission the Company informed the SGX of its intention for a transfer to the Catalist upon exit and that it has been working with a potential sponsor for the transfer. The Company's shares have resumed trading on the SGX-ST since 28 February 2018.

In order to maximise the use of its limited cash, the Group has refrained from capital expenditure and long-term investments; instead it is currently focussed on ensuring that the trading of exchange-regulated (e.g., London Metal Exchange) metal products is done in quick turnarounds, with minimum inventory.

As the Company trades mainly in industrial base metals with a high volume of movement, the current business model can be easily scaled up. It depends on the ability to source for the required products and the amount of available working capital.

Given the uncertainty in the current world economy especially a potential trade war between the US and China, the Company's current business model (outsourcing of services and just-in-time delivery) ensures it is less exposed and better placed to weather a sudden downturn of the world economy.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of immediately preceding financial year

Any dividend recommends for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the period under review.

13. If the Group has obtained a general mandate from shareholders for Interested Persons Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from its shareholders for IPTs. There were no IPT transactions for the period under review.

14. Negative confirmation of the Board Pursuant to Rule 705(5) of the Listing Manual

To the best knowledge of the Board of Directors, nothing material has come to the attention of the Board of Directors which may render the unaudited financial statement for 1Q FY2018 of the Group and the Company to be false or misleading in any material aspect.

15. Confirmation under Rule 720(1) of the listing manual.

The Company confirmed that it has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7.7) under Rule 720 (1) of the listing manual.

For and on behalf of the Board of Directors
ADVANCE SCT LIMITED

Simon Eng
Chief Executive Officer

Andrew Chan Keng Ho
Independent Director

BY ORDER OF THE BOARD
Linus Ng Siew Hoong
Secretary

20 April 2018