ADVANCE SCT LIMITED
(Registration No. 200404283C)

UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2017 ("3Q FY2017") AND NINE MONTHS ENDED 30 SEPTEMBER 2017 ("9M FY2017").

PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENTS FOR QUARTERLY AND NINE MONTHS 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 year.

	Note	Group			Group		
		3Q FY2017	3Q FY2016	Inc / (Dec)	9M FY2017	9M FY2016	Inc / (Dec)
		S$'000	S$'000		S$'000	S$'000	
Continued operations							
Revenue	1	24,567	16,633	48%	60,763	27,706	119%
Cost of sales		(24,236)	(16,500)	47%	(59,799)	(27,467)	118%
Gross profit		**331**	**133**	149%	**964**	**239**	303%
Other (expenses)/income - net	2	(10)	(220)	-95%	975	(256)	n.m
Administrative expenses	3	(130)	(204)	-36%	(513)	(1,667)	-69%
Profit/(Loss) from operations		191	(291)	n.m	1,426	(1,684)	n.m
Finance costs	3	(33)	(49)	-33%	(133)	(104)	28%
Profit/(Loss) before income tax		**158**	**(340)**	n.m	**1,293**	**(1,788)**	n.m
Income tax		-	-	n.m	-	-	n.m
Profit/(Loss) from continued operation, net of tax	4	**158**	**(340)**	n.m	**1,293**	**(1,788)**	n.m
Discontinued operations							
Loss for the year from discontinued operation		**-**	-	n.m	**-**	(831)	n.m
Total profit/(loss) for the period		**158**	**(340)**	n.m	**1,293**	**(2,619)**	n.m
Attributable to:							
Equity holders of the Company		158	(340)	n.m	1,293	(2,316)	n.m
Non-controlling interests ("NCI")		-	-	n.m	-	(303)	n.m
		158	(340)	n.m	1,293	(2,619)	n.m

n.m = not meaningful
n.m* = variance more than 1000%

Notes

1. For the quarter ended 30 September 2017 ("3Q FY2017"), the Group's revenue increased by 48% quarter-on-quarter to S$24.6 million. Revenue for the first nine months of FY2017 has surpassed S$60 million, a 119% increase compared to the same period last year. This is further evidence that the Group has recovered from the tumultuous period last year and is set on a path of recovery.

2. There is no Other Income in 3Q FY2017. The company has written back about S$1.6 million in 2Q FY2017; at the same time it made provision of about S$0.6 million in restructuring costs and potential losses through swap options that have remained unrealized in this reporting quarter. Net Other Income for 9M FY2017 remains about S$1 million.

3. Administrative expenses have remained consistent throughout the year. Similarly, finance costs for operations are expected to hold at current level.

4. The Group has been profitable based on its current operations and is expected to remain so for the next quarter as well as the full financial year. Not taking into consideration Other Income of S$1 million, the Group generated about S$300,000 in net profit for 9M FY2017, of which S$158,000 has been contributed by 3Q FY2017.

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

	Group		Group	
	3Q FY2017	**3Q FY2016**	**9M FY2017**	**9M FY2016**
	S$'000	S$'000	S$'000	S$'000
1.1 **Profit/(Loss) before income tax is arrived at after charging the following:**				
Depreciation of plant and equipment	-	(34)	-	(227)
Finance cost	(33)	(49)	(133)	(104)
1.2 **Other (Expenses)/income - net comprises principally the following:**				
Gain on foreign exchange - realised	-	(11)	6	107
Loss foreign exchange - unrealised	(2)	(3)	(52)	(18)
Miscellaneous (expenses)/income	(1)	-	5	22
Cost of Scheme of arrangement and litigations	-	-	-	(240)
Restructuring cost	(7)	(173)	(207)	(173)
Provision for penalty charge	-	-	(415)	-
Write off of trade and other payables	-	-	1,638	79
Allowance for stock obsolecence	-	(33)	-	(33)

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

	Group			Group		
	3Q FY2017	3Q FY2016	Inc / (Dec)	9M FY2017	9M FY2016	Inc / (Dec)
	S$'000	S$'000		S$'000	S$'000	
Total profit/(loss) for the period	158	(340)	n.m	1,293	(2,619)	n.m
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	8	(1)	n.m	18	(475)	n.m
Total comprehensive profit/(loss) for the period	**166**	**(341)**		**1,311**	**(3,094)**	
Total comprehensive profit/(loss) attributable to :						
Equity holders of the Company	166	(341)	n.m	1,311	(2,791)	n.m
Non-controlling interests	-	-	n.m	-	(303)	n.m
	166	**(341)**		**1,311**	**(3,094)**	

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	
		30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
		S$'000	S$'000	S$'000	S$'000
Non-current assets					
Investment in subsidiaries		-	-	2	2
Current assets					
Prepayments		15	5	15	4
Trade and other receivables	1	7,824	2,911	231	39
Cash and cash equivalents		897	68	15	37
Current assets		8,736	2,984	261	80
Total Assets		**8,736**	**2,984**	**263**	**82**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital		196,454	196,454	196,454	196,454
Capital reserve		(654)	(654)	-	-
Share options reserve		-	544	-	544
Forex translation reserve		33	15	-	-
Accumulated losses		(208,804)	(210,640)	(210,318)	(211,835)
Total Equity		(12,971)	(14,281)	(13,864)	(14,837)
LIABILITIES					
Trade and other payables	2	8,849	4,636	3,098	3,890
Borrowings	3	4,155	4,341	2,741	2,741
Provision		8,703	8,288	8,288	8,288
		21,707	17,265	14,127	14,919
Total Equity and Liabilities		**8,736**	**2,984**	**263**	**82**

1. Trade receivables of S$7.8 million are related to the trading of metal products.

2. Trade payables of S$7.3 million are linked to the trading of metal products. Other payables of about S$1.5 million included accrual of professional fees and outstanding payment to vendors.

3. The decrease in borrowings of S$186,000 in 9M FY2017 is due to repayment of debt by a wholly-owned subsidiary.

4. While the Group shows net current liabilities of S$12.97 million as a result of debts arising from the arbitration award and a remainder debt from the old Scheme of Arrangement in 2011 as well as a new loan of S$1.5 million from a controlling shareholder, such debts have been included in a proposed Debt Capitalization Exercise ("DCE"), the details of which are being worked out. Upon completion of the DCE, the Group will turn into net asset position.

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

	As at 30 September 2017		As at 31 December 2016	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Borrowings	1,241	2,914	1,241	3,100

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		Group	
	3Q FY2017 S$'000	3Q FY2016 S$'000	9M FY2017 S$'000	9M FY2016 S$'000
Cash flows from operating activities				
Profit/(Loss) before tax	158	(340)	1,293	(2,619)
Adjustments for :				
Unrealised futures loss	16	-	135	-
Unrealised foreign exchange loss	2	-	52	-
Depreciation for plant and equipment	-	34	-	227
Finance cost	33	49	133	104
Loss on disposal of subsidiaries	-	-	-	831
Provision for penalty charge	-	-	(415)	-
Write off of trade and other payables	-	-	(1,638)	-
Operating cash flow before working capital changes	209	(257)	(440)	(1,457)
Working capital changes				
Inventories	-	9	-	182
Trade and other receivables	(4,602)	(4,131)	(5,092)	(1,952)
Trade and other payables	5,028	4,563	6,680	4,361
Cash generated from operations	635	184	1,148	1,134
Interest paid	(33)	(49)	(133)	(104)
Net cash generated from operating activities	**602**	**135**	**1,015**	**1,030**
Cash flows from investing activities				
Disposal of subsidiaries, net cash	-	-	-	(189)
Net cash used in investing activities	**-**	**-**	**-**	**(189)**
Cash flows from financing activities				
(Repayment of)/Proceeds from borrowings, net	(236)	400	(186)	400
Net cash used in financing activities	**(236)**	**400**	**(186)**	**400**
Net change in cash and bank balances	366	535	829	1,241
Cash and bank balances at beginning of financial period	531	1,220	68	514
Cash and bank balances at end of financial period	**897**	**1,755**	**897**	**1,755**

Notes

The Group generated a positive cash flow of ca. S$602,000 from operating activities in 3Q FY2017.

Net cash used in financing activities is related to a loan repayment.

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.

	Attributable to owners of the parent							
	Share capital	Capital reserve	Share options reserve	Foreign currency translation	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group								
Balance as at 1 July 2017	**196,454**	**(654)**	**-**	**25**	**(208,962)**	**(13,137)**	**-**	**(13,137)**
Net profit for the financial period	-	-	-	-	158	158	-	158
Foreign currency translation	-	-	-	8	-	8	-	8
Total comprehensive income for the period	-	-	-	8	158	166	-	166
Write off share options reserve	-	-	-	-	-	-	-	-
Balance as at 30 September 2017	**196,454**	**(654)**	**-**	**33**	**(208,804)**	**(12,971)**	**-**	**(12,971)**

	Attributable to owners of the parent							
	Share capital	Capital reserve	Share options reserve	Foreign currency translation	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group								
Balance as at 1 July 2016	196,454	-	544	(18)	(204,700)	(7,720)	-	(7,720)
Net loss for the financial period	-	-	-	-	(340)	(340)	-	(340)
Foreign currency translation	-	-	-	(1)	-	(1)		(1)
Total comprehensive loss for the period	-	-	-	(1)	(340)	(341)	-	(341)
Acquisition of subsidiary	-	-	-	-	-	-	-	-
Balance as at 30 September 2016	**196,454**	**-**	**544**	**(19)**	**(205,040)**	**(8,061)**	**-**	**(8,061)**

	Share capital	Share options reserve	Accumulated losses	Total
	S$'000	S$'000		S$'000
Company				
Balance as at 1 July 2017	196,454	-	(210,175)	(13,721)
Net loss for the financial period	-	-	(143)	(143)
Write off share options reserve	-	-	-	-
Balance as at 30 September 2017	**196,454**	**-**	**(210,318)**	**(13,864)**

	Share capital	Share options reserve	Accumulated losses	Total
	S$'000	S$'000		S$'000
Company				
Balance as at 1 July 2016	196,454	544	(203,485)	(6,487)
Net loss for the financial year	-	-	(290)	(290)
Write off share options reserve	-	-	-	-
Balance as at 30 September 2016	**196,454**	**544**	**(203,775)**	**(6,777)**

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.

There was no change in the Company's share capital for the reported quarter ended 30 September 2017. The number of ordinary shares issued was 14,942,564,101.

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 2016.

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		Group	
	3Q FY2017	**3Q FY2016**	**9M FY2017**	**9M FY2016**
	cents	cents	cents	cents
Earning/(Loss) per share for the Group attributable to equity holders of the Company				
i) Basic	0.0011	(0.0020)	0.0087	(0.0200)
ii) On a fully diluted basis	0.0011	(0.0020)	0.0087	(0.0200)

Basic earnings per share for the 3Q FY2017 is calculated based on the weighted average number of shares of 14,942,564,101.

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	
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
	Cents	Cents	Cents	Cents
NAV per share based on issued share capital as at the end of the period	(0.0868)	(0.0956)	(0.0928)	(0.0993)

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 has been in consultation with the SGX with regards to a possible lifting of suspension of trading of its shares on the SGX-ST and also seeking the SGX's approval for a one-year extension of time up to 3 March 2018 to exit the SGX Watch-list. At the same time, the Company is in discussion with various parties for cash injections. A lifting of suspension will greatly enhance the likelihood of such cash injections by the investors. The Company intends to deploy such fresh cash into current operations such that profitability will improve.

The DCE, when completed, will reduce finance costs and overall expenses. These will have positive impacts on profitability as well.

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 3Q FY2017 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.

BY ORDER OF THE BOARD

Simon Eng
Chief Executive Officer
19 October 2017