



ADVANCE SCT LIMITED
(Company Registration Number: 200404283C)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF SGX LISTING MANUAL

On 4 March 2015, the Company was placed on the Watch List pursuant to rule 1311 of the Listing Manual.

In accordance with Rule 1313(2) of the SGX Listing Manual, the Board of Directors of the Company wishes to provide the following update for the second quarter ended 30 June 2015 ("2Q2015")

Update on Financial Performance and Position

Group turnover decreased by 32.4% and 26.4% to S\$12.2 million and S\$25.1 million for the second quarter ("2QFY2015") and half year ended 30 June 2015 ("1HFY2015"), respectively. Part of the revenue in 2QFY2014 and 1HFY2014 were derived from the remnants of recycling business within the Group while revenue for 2QFY2015 and 1HFY2015 consisted of copper ball sales and wastewater treatment fees only. The Group had ceased all remaining recycling business in the second half of FY2014.

Gross margin was lower in 2QFY2015 and 1HFY2015 compared to 2QFY2014 and 1HFY2014 as the new copper ball factory in People's Republic of China had remained under-utilized during this period.

Please refer to our results announcement for the financial period ended 30 June 2015 released on 14 August 2015 for full details.

Material Development and Future Directions

The Group's copper ball business suffered in the second quarter as the Euro zone problems intensified and the Chinese economic problems manifested in stock market rout. Copper price fell to a seven-year low, causing short-term trading losses. As no additional funding was available, working capital for the copper ball manufacturing business remained inadequate to start the second production line. As such, the manufacturing facilities remain under utilised. The Group needs to urgently raise cash to boost production capacity and complete the restructuring of its copper ball trading business. The Group is contemplating the disposal of its Taiwan subsidiary, Western Copper Co Ltd. It is a key part of ongoing organisational restructuring of the copper ball division to improve efficiency. The Group

believes that the disposal, when completed, will boost the gross margin of the business as well.

The Group is in talks with several parties on a possible disposal of its wastewater treatment plant to unlock value and recover much needed cash to fund the core business of copper ball manufacturing and sale.

BY ORDER OF THE BOARD
ADVANCE SCT LIMITED

Simon Eng
Chief Executive Officer
14 August 2015