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 third quarter ended 30 September 2016 ("3Q2016").

Unless otherwise defined in this announcement, capitalised terms have the meanings ascribed to it in the announcement dated 14 November 2016.

Update on Financial Performance and Position

The Group had fully settled with the last remaining creditors of the ca. $85 million legacy debt that the current management inherited in 2009 after the world financial crisis of 2008. The old Scheme of Arrangement was shut down after the transfer to a major creditor of some hard assets in China. Without the burden of manufacturing facilities in China and a much-reduced debt level, the Group has since focused on the trading of copper products under a wholly-owned subsidiary Asiapac Recycling Pte Ltd. Trading volume has increased from S$1.5 million in 1Q2016 to S$9.3 million in 2Q2016. In this quarter, turnover has further increased to S$13.6 million.

With a small working capital, while the Group is able to generate a turnover of more than 10 times of working capital and a more than 13% return on working capital in a quarter, gross profit has remained inadequate to cover listing expenses and compliance costs. This is aggravated by the other non-recurring expenses related to the ongoing restructuring, notably the new Scheme of Arrangement ("**Scheme**") and an ongoing litigation.

While the Group is in net current liabilities, it is not under pressure to repay debt as the bulk of the Company's current liabilities has been included in the proposed Scheme; until it is sanctioned, all creditors are restrained from legal actions against the Company. Besides, part of the Company's deficit is a provision for a legal suit, which has also been brought under the Scheme.

The Company has generated positive cash flow from operations for a consecutive quarter and maintained a healthy cash position of more than $1.7 million. It also has a credit line of $1 million granted to its subsidiary Asiapac Recycling Pte Ltd. To date, only $0.4 million has been drawn down.

Please refer to our results announcement for the financial period ended 30 September 2016 released on 14 November 2016 for full details.

Material Development and Future Directions

Barring unforeseen circumstances and assuming no significant increase in working capital, the Group's turnover is expected to maintain a revenue of more than S$10 million in subsequent quarters. More importantly, gross margin has to improve. For that, the Company has to urgently

raise more cash to boost working capital. That the Company's shares are suspended from trading is a stumbling block to fund raising in the capital market. Besides, the High Court of Singapore has yet to sanction the proposed new Scheme because of objections raised by a creditor to the adjudication of debts. At the last hearing on 14 October 2016, the Court has granted the Company leave to file additional affidavit(s) by 11 November 2016. This has been and the next hearing date is fixed on 6 March 2017.

The Company will keep its copper trading business on track while searching for fresh cash injection and continuing discussions with various potential investors for M&A/RTO possibilities.

Save for the above and as previously announced, there are no other material developments that may have a significant impact on the financial position of the Group or on its future direction at the moment.

BY ORDER OF THE BOARD
ADVANCE SCT LIMITED

Simon Eng
Chief Executive Officer
14 November 2016