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 SGX 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 fourth quarter ended 31 December 2017 ("4Q FY2017").

Unless otherwise defined in this announcement, capitalised terms have the meanings ascribed to it in the announcement dated 27 February 2018.

Update on Financial Performance and Position

For the full year ended 31 December 2017 ("FY2017"), the Group generated a revenue of close to S$80 million, a 70% increase compared to FY2016. At the same time, gross profit improved by 281% to S$1.43 million. Significantly, the Group has achieved an **operating net profit of S$0.67 million** despite an increase in finance cost. Including net other income, the Group has generated a net profit of S$1.51 million in FY2017, compared to a net loss of S$8.52 million in FY2016.

On 27 February 2018, the Company received approval from shareholders on the Circular dated 12 February 2018 on the following:

1) The capitalisation of total debt owing by the Company to the subscribers into 22,374,343,660 Capitalisation Shares (the "Cap Shares"), at a Capitalisation Price of S$0.0005 per Cap Share, and the allotment and issuance of up to 22,374,343,660 Capitalisation Shares to the Subscribers (the "DCE");

2) The transfer of controlling interest in the company to Mr. Zhang Baoan in connection with the DCE; and

3) Issuance of 3 per cent redeemable convertible bonds due 2021 by the Company, having an aggregate principal value of S$2,000,000 to Baycrest International Inc ("Baycrest") or its nominees and the allotment and issuance of up to 4,000,000,000 Conversion Shares (the "RCB Shares") pursuant to the conversion of the redeemable convertible bonds (the "RCB").

As at the date of this announcement, the Cap Shares have been issued to the Subscribers. At the same time, Baycrest has converted its entire RCB into the RCB Shares. Total issued shares of the Company after the two issues are 41,316,907,761.

The following shows the balance sheet of the Company post DCE and RCB conversion:

Financial Effects of the Debt Capitalisation Exercise and the RCB Issuance

	Pre	Post DCE & RCB
	31-Dec-17 S$'000	**31-Dec-17** S$'000
Non-current assets		
Investment in subsidiaries	-	-
Current assets		
Trade receivables	7,753	7,753
Other receivables	13	13
Cash and cash equivalents	490	2,490
Current assets	8,256	10,256
Total Assets	**8,256**	**10,256**
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	196,454	209,641
Capital reserve	(654)	(654)
Share options reserve	544	544
Forex translation reserve	(1)	(1)
Accumulated losses	(209,132)	(209,132)
Total Equity	(12,789)	398
LIABILITIES		
Trade payables	6,854	6,854
Other payables	1,260	1,097
Borrowings	12,931	1,907
	21,045	9,858
Total Equity and Liabilities	**8,256**	**10,256**

Please also refer to our results announcement for the financial period ended 31 December 2017 released on 27 February 2018 for more details.

On 1 March 2018, the audited financial statement for the financial year ended 31 December 2017 was completed and signed off.

Material Development and Future Directions

The Company lifted the suspension of trading of its shares on 1 March 2018. It will submit an application to the SGX before 3 March 2018 with regards to a possible exit from the SGX Watch-list.

Riding on its success in the financial year 2017, the Company intends to beef up its current business while seeking new investors and partners to explore various other options to grow the Company.

BY ORDER OF THE BOARD
ADVANCE SCT LIMITED

Simon Eng
Chief Executive Officer
1 March 2018