



ADVANCE SCT LIMITED
(Company Registration No.: 200404283C)

**MATERIAL VARIANCES BETWEEN AUDITED FINANCIAL STATEMENTS AND THE
PRELIMINARY UNAUDITED FULL-YEAR RESULTS ANNOUNCEMENT FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2014**

The Board of Directors (the “**Board**”) of Advance SCT Limited (the “**Company**” or together with its subsidiaries, the “**Group**”) refers to its unaudited full year financial results announcement for the financial year ended 31 December 2014 (“**FY2014**”) released via the SGXNET on 16 February 2015 (“**Preliminary Unaudited Results 2014**”).

Pursuant to Rule 704(6), the Board wishes to announce that, subsequent to the release of the Preliminary Unaudited Results 2014, the External Auditor has proposed certain adjustments and reclassifications which the management of the Company has adopted accordingly. These are Material Variances between the Audited Financial Results of the Group for FY2014 (“**Audited Results**”) and the Preliminary Unaudited Results 2014.

Details and explanations of the Material Variances pursuant to Rule 704(6) of the listing Manual of the SGX-ST are set out below:

Note (1) Material reclassifications/adjustments to consolidated group income statement as follows:

	Announced S\$'000	Audited S\$'000	Variance S\$'000
Profit after tax	2,061	1,003	1,058
Reasons: The net impact of S\$1,058,000 was due mainly to the audit adjustments for: <ul style="list-style-type: none"> (i) Further allowance for impairment of trade and other receivables of S\$186,000 up to the date of the audited financial statements as assessed by management. (ii) Non-recognition of a consulting fee of \$500,000 in Other Incomes as a result of further delays in respect of a current project collaboration subsequent to the release of the Preliminary Unaudited Results 2014 up to the date of the audited financial statements as further advised by management. (iii) Reduction of S\$195,000 in bad debt recovered as estimated by management, pending confirmation from the liquidator. (iv) Further allowance for impairment on Property Plant and Equipment of S\$117,000 up to the date of the audited financial statements as a result of certain machineries being idle and thereby no longer generating income as further advised by management. 			

Note (2) Material adjustments/reclassification to consolidated group balance sheet as follows:

	Announced S\$'000	Audited S\$'000	Variance S\$'000
(A) Current Assets	27,970	27,563	(407)
(B) Current Liabilities	23,902	26,071	2,169
(C) Equity	10,374	9,440	(934)
<p>Reasons:</p> <p>The audit adjustments and reclassifications for the variances are as below:</p> <p>(A) Decrease in Current Assets of S\$407,000 mainly due to reversal of other receivables of S\$695,000 as explained in Note (1) (i) (ii) & (iii) above.</p> <p>(B) Increase in Current Liabilities mainly due to:</p> <ul style="list-style-type: none"> - Reclassification of serviceable loan ("SL") in the Scheme of Arrangement of ca. S\$1.7 million from Non-Current Liabilities to Current Liabilities as advised by the Scheme Manager based on the scheduled principal payments due within 12 months should the ongoing restructuring of the SL fail to complete upon the expiry of the cure period on 31 May 2015; - Grossing of other payables of approximately S\$0.4 million which was previously offset against other receivables. <p>(C) Equity decreased mainly due to audit adjustments as explained under Note (1) above.</p>			

Note (3) Material adjustments/reclassification to consolidated cash flow as follows:

	Announced S\$'000	Audited S\$'000	Variance S\$'000
(A) Net cash used in operating activities	(4,836)	(7,590)	(2,754)
(B) Net cash generated from investing activities	2,767	3,538	771
(C) Net cash used in financing activities	(1,372)	(103)	1,269
<p>Reasons:</p> <ul style="list-style-type: none"> - The net impact of changes in cash generated from operations was mainly due to the audit reclassifications on non-cash items and changes in working capital items as stated in Note (1) above. - Reclassifications of cash flows previously classified as investing activities and financing activities to operating activities to ensure consistency in respect of cash flow statement categorisation as advised by the auditors. 			

By Order of the Board

Simon Eng
Chief Executive Officer
12 April 2015