



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 first quarter ended 31 March 2018 ("1Q2018").

Unless otherwise defined in this announcement, capitalised terms have the meanings ascribed to it in the announcement dated 20 April 2018.

Update on Financial Performance and Position

Group's turnover decreased by 14% in 1Q FY2018 to S\$18.3 million for the three months ended 31 March 2018 ("1Q FY2018"), compared to the quarter ended 31 March 2017 ("1Q FY2017") but gross margin has improved, resulting in a 22% increase in gross profit. In response to a significant rise in metal prices during the quarter, the Group had reduced trading volume.

Please refer to our results announcement for the financial period ended 31 March 2018 released on 20 April 2018 for full details.

Material Development and Future Directions

The Company was placed on the SGX Watchlist on 4 March 2015 and has submitted an application to the SGX on 2 March 2018 to exit the Watchlist in accordance with Rule 1314(1). In the submission the Company informed the SGX of its intention for a transfer to the Catalist upon exit and that it has been working with a potential sponsor for the transfer. The Company's shares have resumed trading on the SGX-ST since 28 February 2018.

In order to maximise the use of its limited cash, the Group has refrained from capital expenditure and long-term investments; instead it is currently focussed on ensuring that the trading of exchange-regulated (e.g., London Metal Exchange) metal products is done in quick turnarounds, with minimum inventory.

As the Company trades mainly in industrial base metals with a high volume of movement, the current business model can be easily scaled up. It depends on the ability to source for the required products and the amount of available working capital.

Given the uncertainty in the current world economy especially a potential trade war between the US and China, the Company's current business model (outsourcing of services and just-in-time delivery) ensures it is less exposed and better placed to weather a sudden downturn of the world economy.

BY ORDER OF THE BOARD
ADVANCE SCT LIMITED

Simon Eng
Chief Executive Officer
20 April 2018