ADVANCE SCT LIMITED

(Company Registration No. 200404283C)

ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE LISTING MANUAL IN RELATION TO THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors of Advance SCT Limited (the "**Company**") wishes to announce that the independent auditors of the Company, Messrs Moore Stephens LLP has issued a qualified opinion in respect of the Company's audited financial statements (the "**Independent Auditor's Report**") for the financial year ended 31 December 2017 ("**FY2017**") due to the uncertainty in determining whether the adjustments to the loss on disposal of subsidiaries were necessary for the financial year ended 31 December 2016 ("**FY2016**"). In this regard, the auditor's opinion is only modified because of the possible effect on the comparability of FY2017's figures and the FY2016's figures.

An extract of the qualified opinion in the Independent Auditor's Report is set out below:

> *"Qualified Opinion*
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> *We have audited the consolidated financial statements of Advance SCT Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.*
>
> *In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (SFRS), so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and its consolidated financial performance, its consolidated statement of changes in equity and its consolidated statement of cash flows for the year then ended.*

Basis for Qualified Opinion

The Auditor's Report dated 3 April 2017 on the financial statements for the previous year ended 31 December 2016 contained a disclaimer of opinion because we were unable to determine whether:

a) adjustments to the loss on disposal of subsidiaries of S$824,000 (Note 9) in the consolidated statement of comprehensive income and the Group's opening accumulated losses might be necessary for the financial year ended 31 December 2016; and

b) the use of going concern assumption is appropriate in the preparation of the financial statements.

Our opinion for the current financial year ended 31 December 2017 is modified because of the possible effect of item (a) on the comparability of the current's year's figure and the corresponding figure.

The matter in relation to item (b) has been resolved as disclosed in Note 2(a) to the accompanying financial statements."

With regards to the above opinion, the Company is pleased to highlight that the qualification is only on the brought-forward issue. For the current year of 2017, the Group has achieved a pre-tax net profit of S$1.508 million and a positive operating cash-flow of S$914,000; and the capitalisation of S$11,187,172 in legacy debts as well as conversion of S$2,000,000 redeemable convertible loan on 27 February 2018 and 28 February 2018, respectively, have turned the Company from a deficit into a positive capital position.

On Behalf of the Board
Advance SCT Limited
Simon Eng
Chief Executive Officer
1 March 2018