



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 second quarter ended 30 June 2017 ("2QFY2017").

Unless otherwise defined in this announcement, capitalised terms have the meanings ascribed to it in the announcement dated 16 July 2017.

Update on Financial Performance and Position

The Group has turned in a profitable 2QFY2017.

Operations have been profitable for the last two quarters, after deducting administrative expenses; the Group has thus achieved operational profitability for the first half of financial year 2017 ("1HFY2017").

In 2QFY2017, the Company has also booked in a one-time gain of \$1.638 million, being a waiver of debt by CNCM Capital Pte Ltd, of which the Company's Chairman and CEO Mr. Simon Eng is the sole shareholder and director. After making certain provisions in the current quarter, net other income for 1HFY2017 is S\$0.985 million.

The Group has achieved net profit of S\$1.135 million in 1HFY2017, compared to a loss of S\$2.3 million in the same period last year. Besides, the Group has generated a positive cash flow of S\$1.462 million from operating activities in 2QFY2017 and S\$1.875 million in 1HFY2017.

Please refer to our results announcement for the financial period ended 30 June 2017 released on 16 July 2017 for full details.

Material Development and Future Directions

On 24 May 2017, the Company consented to the dismissal of its originating summons relating to the proposed Scheme of Arrangement in favour of negotiating with Qingyuan Shengli Copper Material Co Ltd (“**QSCM**”), the Objecting Creditor, for an out-of-court settlement. On 7 July 2017, the Company was informed by QSCM that QSCM has entered into a debt assignment agreement to assign the entire debt owing to them of Rmb 41,517,000 (“**QSCM Debt**”) to Mr. Zhang Baoan (“**ZBA**”), a Chinese national with substantial assets in Singapore. Concurrently, the Company and QSCM have agreed to withdraw all claims against one another. The Company is no longer under the threat of hostile actions.

The Company has also negotiated with all major creditors including ZBA and obtained their pledge to participate in a proposed Debt Capitalization Exercise (“DCE”), the details of which are being worked out. Without the threat from any of the major creditors, the Board is of the view that the Company can continue as a going concern.

The Company has submitted a Resumption Proposal to the SGX on 10 July 2017. It is also consulting with the major creditors and the SGX on a possible debt capitalization exercise as well as other corporate restructuring initiatives with the objective of exiting the Watchlist in accordance with Rule 1314(1) before 3 March 2018. At the same time, the Company is in discussion with various parties to acquire profitable business in the metal industry to supplement its current operations, which have already turned profitable.

BY ORDER OF THE BOARD
ADVANCE SCT LIMITED

Simon Eng
Chief Executive Officer
16 July 2017