



ADVANCE SCT LIMITED
(Registration No. 200404283C)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2016

PART I INFORMATION REQUIRED QUARTERLY ANNOUNCEMENT

1(a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 3 Months to 31 Mar 2016 S\$'000	Group 3 Months to 31 Mar 2015 S\$'000	Increase/ (decrease) %	Note
Revenue	1,434	12,899	-88.88	1
Cost of sales	(1,391)	(12,771)	-89.11	
Gross profit	43	128	-66.41	
GPM	3.0%	1.0%		2
Other operating (expenses)/income	(696)	209	n.m	3
Selling and distribution expenses	-	(148)	n.m	4
Administrative expenses	(783)	(1,155)	-32.21	4
Loss from operations	(1,436)	(966)	48.65	
Finance costs	(44)	(240)	-81.67	4
Loss before income tax from operations	(1,480)	(1,206)	22.72	
Income tax	-	(3)	n.m	
Total loss after tax	(1,480)	(1,209)	22.42	
Attributable to:				
Equity holders of the Company	(1,341)	(942)	42.36	
Non-controlling interests ("NCI")	(139)	(267)	-47.94	
	(1,480)	(1,209)	22.42	

nm – Not meaningful

Notes

1. Group turnover decreased by 88.9% to S\$1.4 million for the three months ended 31 March 2016 ("1Q2016") compared to S\$12.9 million for the same period ended 31 March 2015 ("1Q2015"). The Group had undergone a major restructuring in 1Q2016, resulting in a significantly downsized organisation with a lower debt level. Revenue in 1Q2016 was generated by the copper products trading business under Asiapac Recycling Pte Ltd.
2. Gross margin was higher in 1Q2016 due to the slight increase of copper price.
3. Other operating (expenses)/income of S\$0.8 million was mainly due to the loss of disposal of the Green World Holdings Ltd ("GWH"), Western Copper Co Ltd ("Western") and their subsidiaries.
4. The disposal of GWH and the Taiwan-based Western in 1Q2016 has helped to reduce substantially selling and distribution expenses, administrative expenses and finance cost.

1(a)(ii) Net (loss)/profit attributable to shareholders includes the following charges/ (credits)

	Group 3 Months to 31 Mar 2016 S\$'000	Group 3 Months to 31Mar 2015 S\$'000
Continuing Operations		
Finance cost	44	240
Depreciation of plant and equipment	34	99
Net foreign exchange loss	5	5
Loss on disposal of subsidiaries	828	-

1(a)(iii) Consolidated Statement of Comprehensive Income

	Group 3 Months to 31 Mar 2016 S\$'000	Group 3 Months to 31 Mar 2015 S\$'000	Increase/ (decrease) %
Loss for the period	(1,480)	(1,209)	22.42
Other comprehensive (loss)/income:			
Net exchange differences on translation of foreign entities' financial statements	(25)	253	n.m
Total comprehensive loss for the period	(1,505)	(956)	57.43
Total comprehensive loss attributable to:			
Equity holders of the Company	(1,366)	(689)	98.26
Non-controlling interests	(139)	(267)	-47.94
	(1,505)	(956)	57.43

nm – Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

BALANCE SHEET

		Group As at 31 Mar 2016 S\$'000	Group As at 31 Dec 2015 S\$'000	Company As at 31 Mar 2016 S\$'000	Company As at 31 Dec 2015 S\$'000
Non-current assets					
Plant and equipment	1	1,175	2,889	-	-
Investment in subsidiaries	2	-	-	2	3,329
Financial receivables	4	-	6,454	-	-
		1,175	9,343	2	3,329
Current assets					
Inventories	3	121	293	-	-
Prepayments		77	269	-	-
Trade and other receivables	4	639	3,165	3,166	224
Financial receivables	4	-	140	-	-
Cash and cash equivalents	4	400	514	22	83
Current Assets		1,237	4,381	3,188	307
Asset classified as held for sale		-	-	-	-
Total assets		2,412	13,724	3,190	3,636
Current liabilities					
Trade and other payables	4	3,454	5,485	5,862	2,801
Interest-bearing liabilities	4	2,791	5,640	-	2,955
Provision		3,424	3,424	3,424	3,424
		9,669	14,549	9,286	9,180
Non-current liabilities					
Interest-bearing liabilities	4	-	2,837	-	2,837
Deferred tax		-	529	-	-
		-	3,366	-	2,837
Total liabilities		9,669	17,915	9,286	12,017
Net liabilities		(7,257)	(4,191)	(6,096)	(8,381)

BALANCE SHEET (CONT'D)

Equity

Share capital	196,454	196,454	196,454	196,454
Capital reserve	-	-	-	-
Share application monies	-	1,127	-	1,127
Share options reserve	544	544	544	544
Foreign currency translation reserve	(3)	456	-	-
Accumulated losses	(203,762)	(202,421)	(203,094)	(206,506)
Total attributable to equity holders of the Company	(6,767)	(3,840)	(6,096)	(8,381)
Non-controlling interests	(490)	(351)	-	-
Total Equity	(7,257)	(4,191)	(6,096)	(8,381)

Notes

1. Plant and equipment had decreased from S\$2.9 million in 31 December 2015 to S\$1.2 million in 31 March 2016 due to the disposal of GWH.
2. On 17 January 2016, the Company announced that it had settled all outstanding debts with its Eligible Creditors and terminated the Scheme of Arrangement by way of redeeming two of the three remaining Eligible Creditors by cash of S\$145,153 and the transfer of the Company's entire interest in GWH and its subsidiaries (excluding Everglory Cooling System Pte. Ltd. and Everglory Radiators (Shenyang) Co., Ltd.) to the remaining Eligible Creditor subject to an independent valuation and further negotiation. Subsequently, the Company announced that it has reached an agreement with the remaining Eligible Creditor to value GWH shares at S\$4,300,000 for the purpose of the settlement of the total outstanding serviceable loans and Convertible Notes of S\$5,541,000. The transfer of GWH and its subsidiaries (excluding Everglory Cooling Systems Pte. Ltd. and Everglory Radiators (Shenyang) Co., Ltd.) to the remaining Eligible Creditor s effective from 21 January 2016. In view of the termination of the Scheme, the remaining amount due from the Company to the remaining Eligible Creditor of S\$1,241,000 has been restructured as a separate loan secured by a charge over the Company's share in its wholly-owned subsidiary, Asiapac Recycling Pte. Ltd. Accordingly, the Company and the Eligible Creditor have entered into a loan agreement based on the terms above.
3. The decrease in inventory was mainly due to the disposal of Western Metal Co., Ltd. and Suzhou Jestern Metal Co., Ltd. which are subsidiaries in GWH. The remaining inventory as at 31 March 2016 is from Everglory Radiators (Shenyang) Co., Ltd., located in the People's Republic of China.
4. The disposal of GWH had resulted in a significantly lower value of 'trade and other receivables, financial receivables, cash and cash equivalents, trade and other payables and interest-bearing liabilities' as compared to 31 December 2015

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable within one year

	As at 31 Mar 2016		As at 31 Dec 2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Interest-bearing liabilities	1,241	1,550	1,623	2,562
Scheme Debt (c)	-	-	1,455	-
Total	<u>1,241</u>	<u>1,550</u>	<u>3,078</u>	<u>2,562</u>

Amount repayable after one year

	As at 31 Mar 2016		As at 31 Dec 2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Interest-bearing liabilities	-	-	-	-
Scheme Debt (a)	-	-	-	-
Scheme Debt (c)	-	-	2,837	-
Total	<u>-</u>	<u>-</u>	<u>2,837</u>	<u>-</u>

The Scheme Debts (a) and (c), which are interest-bearing, are defined below..

The Scheme of Arrangement approved in 2011 to govern the repayment of Eligible Debt (as defined below) of ca. S\$80 million then ("Scheme Debts") have been separated into three discrete amounts:

- (a) the first tranche of the restructured loan, at 1% of the Eligible Debt, shall be settled by the issuance of interest-bearing convertible notes, convertible to new shares in the capital of the Company;
- (b) the second tranche of the restructured loan, at 49% of the Eligible Debt, shall be settled by the issuance of non-interest-bearing convertible notes, convertible to new shares in the capital of the Company; and
- (c) The Serviceable Loan, at 50% of the Eligible Debt, shall be payable in instalments from the second anniversary of the Effective Date and be fully paid by the seventh anniversary of the Effective Date. At a shareholders meeting on 30 August 2013, the Serviceable Loan was made convertible to new shares in the capital of the Company in the same terms as (a) and (b).

Eligible Debt is defined as the Claim of a creditor of a Scheme Company under a Proof of Debt which is (1) subsequently admitted by the Scheme Manager in consultation with the Company and (2) the Adjudicated amount.

On 17 March 2016, the Company announced that the above Scheme of Arrangement has been terminated with effect from 21 January 2016.

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

CASH FLOW STATEMENT	Group 3 months to 31 Mar 2016 S\$'000	Group 3 months to 31 Mar 2015 S\$'000
Cash flows from operating activities		
Loss before tax	(1,480)	(1,209)
Adjustments for:		
Depreciation of plant and equipment	34	99
Unrealised foreign exchange loss	35	-
Interest and bank charges	44	240
Interest income	-	(28)
Loss on disposal of subsidiaries	828	-
Operating cash flow before working capital changes	(539)	(898)
Working capital changes		
Inventories	12	(3,092)
Trade and other receivables	(3,233)	(1,692)
Trade and other payables	3,879	5,873
Cash generated from operations	119	191
Interest paid	(44)	(213)
Income tax paid	-	(29)
Net cash generated/(used in) operating activities	75	(51)
Cash flows from investing activities		
Purchase of plant and equipment	-	(104)
Disposal of subsidiaries, net cash	(189)	-
Net cash used in investing activities	(189)	(104)
Cash flows from financing activities		
Repayment of finance lease creditors	-	(98)
Repayment of bank borrowings	-	(2,006)
Net cash used in financing activities	-	(2,104)
Net change in cash and cash equivalents	(114)	(2,259)
Cash and cash equivalents at beginning of financial period	514	7,579
Cash and cash equivalents at end of financial period	400	5,320

Cash and cash equivalents at the end of the reporting period as shown in the consolidated cash flow statements are as follows:

	Group	
	31 Mar 2016 S\$'000	31 Mar 2015 S\$'000
Cash and cash equivalents, as above	400	7,476
Cash at bank and fixed deposits pledged	-	(2,156)
	400	5,320

Notes

Net cash inflow of S\$75,000 from operating activities is mainly due to increase trade and other payables.

Net cash outflow of S\$189,000 from investing activities is due to the loss on disposal of subsidiaries.

There are no financing activities in 1Q2016.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP (31 March 2016)	Attributable to owners of the parent						Non-controlling interests	Equity
	Share capital	Share application monies	Share options reserve	Foreign currency translation	Accumulated losses	Total attributable to equity holders of the Company		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance as at 1 January 2016	196,454	1,127	544	456	(202,421)	(3,840)	(351)	(4,191)
Net loss for the financial period	-	-	-	-	(1,341)	(1,341)	(139)	(1,480)
Other comprehensive income:								
Net exchange differences on translation of foreign entities' financial statements	-	-	-	(25)	-	(25)	-	(25)
Total comprehensive income/(loss) for the period	-	-	-	(25)	(1,341)	(1,366)	(139)	(1,505)
Disposal of subsidiaries		(1,127)		(434)	-	(1,561)	-	(1,561)
Balance as at 31 March 2016	196,454	-	544	(3)	(203,762)	(6,767)	(490)	(7,257)

GROUP (31 March 2015)	Attributable to owners of the parent							Total attributable to equity holders of the Company	Non-controlling interests	Equity
	Share capital	Capital reserve	Share application monies	Share options reserve	Foreign currency translation	Accumulated losses				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
Balance as at 1 January 2015	195,155	(146)	1,127	815	174	(190,208)	6,917	2,523	9,440	
Net loss for the financial period	-	-	-	-	-	(947)	(947)	(267)	(1,214)	
Other comprehensive income:										
Net exchange differences on translation of foreign entities' financial statements	-	-	-	-	253	-	253	-	253	
Total comprehensive income/(loss) for the period	-	-	-	-	253	(947)	(694)	(267)	(961)	
Issuance of shares upon conversion of Scheme Convertible Notes										
Issuance of shares for debt settlements	1,299	-	-	-	-	-	1,299	-	1,299	
Issuance of new shares	-	-	-	-	-	-	-	-	-	
Transfer to retained earning	-	-	-	-	-	-	-	-	-	
Share issue expenses	-	-	-	-	-	-	-	-	-	
Balance as at 31 March 2015	196,454	(146)	1,127	815	427	(191,155)	7,522	2,256	9,778	

Company (31 March 2016)	Share capital	Share application monies	Share options reserve	Deficit	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2016	196,454	1,127	544	(206,506)	(8,381)
Net loss for the financial period	-	-	-	3,412	3,412
Disposal of subsidiaries	-	(1,127)	-	-	(1,127)
Balance as at 31 March 2016	196,454	-	544	(203,094)	(6,096)

Company (31 March 2015)	Share capital	Share application monies	Share options reserve	Deficit	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2015	195,155	1,127	815	(195,103)	1,994
Net loss for the financial period	-	-	-	(517)	(517)
Issuance of shares upon conversion of Scheme Convertible Notes	1,299	-	-	-	1,299
Balance as at 31 March 2015	196,454	1,127	815	(195,620)	2,776

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash, or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's share capital for the reported quarter ended 31 March 2016. The number of ordinary shares issued was 14,929,214,427.

There were \$1.5 million convertible bonds which may be converted into 1,500,000,000 ordinary shares representing approximately 10% of the existing share capital. If fully converted, the total number of ordinary shares would increase to 16,429,214,427.

2. Whether the figures had been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures had been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements had been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared to the audited financial statement as at 31 December 2015, as well as all applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2016. The adoption of those new and revised FRS has no material effect on the quarterly results ending 31 March 2016.

5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year after deducting any provision for preference dividends.

	Group	
	31 Mar 2016	31 Mar 2015
Continuing Operations		
(Loss)/Earnings per share (EPS) in cents		
i) Basic	(0.01)	(0.01)
ii) On a fully diluted basis	(0.01)	(0.01)

Basic (loss)/earnings per share for the current and preceding years are calculated based on the weighted average number of shares of 14,929,214,427 and 14,732,835,458 (excluding treasury shares) respectively.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:

- (a) current financial period reported on; and
- (b) immediately preceding financial year

	Group		Company	
	31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
Net asset value per share (cents)	(0.05)	(0.03)	(0.05)	(0.06)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on Profit and loss review

Please refer Note in 1(a), 1(b) and 1(c).

9. Where a forecast, or a prospect statement, had been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group has become much leaner after the debt restructuring and termination of the Scheme of Arrangement in January 2016. It remains engaged in the business of trading of copper products, the success of which depends largely on copper price stability and overcoming the key challenge of inadequate working capital. To reach profitability, the Group has to urgently raise cash to boost the volume of trade and increase revenue.

The copper radiator business involves a new technology. It has been successfully tested and several orders have been fulfilled. While the market is promising, more time and effort are needed to market the product and gain brand acceptance.

Furtherance to the creditors' meetings (the "Meetings") held on 29 April 2016, as announced on 29 April 2016, the resolution approving a new scheme of arrangement under Section 210 of the Companies Act (Cap. 50) was passed by the creditors attending the Meetings, with the requisite statutory majority in relation to both numbers and value.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding period of immediately preceding financial year

Any dividend recommends for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for Interested Persons Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs.

14. Negative confirmation of the Board Pursuant to Rule 705(5) of the Listing Manual.

To the best knowledge of the Board of Directors, nothing material has come to the attention of the Board of Directors which may render the financial results for the quarterly ended 31 March 2016 of the Group and the Company to be false or misleading in any material aspect.

15. Confirmation under Rule 720(1) of the listing manual.

The Company confirmed that it has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7.7) under Rule 720 (1) of the listing manual.

BY ORDER OF THE BOARD

Simon Eng
Chief Executive Officer
13 May 2016