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 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 third quarter ended 30 September 2015 ("3Q2015")

Update on Financial Performance and Position

Group turnover decreased by 52.6% and 36.3% to S$9.8 million and S$34.9 million for the third quarter ("3Q FY2015") and nine months ended 30 September 2015 ("9M FY2015") respectively. Revenue for 3Q FY2015 and 9M FY2015 consisted of copper ball sales and wastewater treatment fees only, while part of the revenue in 3Q FY2014 and 9M FY2014 were derived from the remnants of recycling business within the Group (the Group had ceased all remaining recycling business in the second half of FY2014).

Gross margin in 3Q FY2015 and 9M FY2015 remained low and challenging, as the copper ball factory in the People's Republic of China had remained under-utilised during this period. Gross margin will likely improve when the required working capital is found to put the second production line into operation.

Please refer to our results announcement for the financial period ended 30 September 2015 released on 13 November 2015 for full details.

Material Development and Future Directions

The Group's copper ball business continued to suffer in the third quarter as global economic problems continued to manifest into the commodities market. Copper price fell to a seven-year low, causing short-term trading losses and reduced margin. As no additional funding was available, there was insufficient working capital to start the second production line resulting in the manufacturing facilities being unable to achieve a breakeven point. To turn around, it has to urgently raise cash to boost production capacity or find other ways to reduce the burden of the manufacturing facilities. The cessation of the exclusive distributorship of the Taiwan

subsidiary is a part of ongoing organisational restructuring of the copper ball division to improve efficiency. The Taiwan subsidiary is held for sale, and is currently facing financing and liquidity issues in their operations.

BY ORDER OF THE BOARD
ADVANCE SCT LIMITED

Simon Eng
Chief Executive Officer
20 November 2015