



**ADVANCE SCT LIMITED**  
**(Company Registration Number: 200404283C)**

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**AUDITOR'S COMMENTS ON ACCOUNTS**

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Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Board of Directors ("**Board**") of Advance SCT Limited ("**Company**") wishes to inform that the independent external auditors of the Company, Moore Stephens LLP ("**MS**" or "**Independent Auditors**"), have, in their Independent Auditors' report dated 6 April 2015 ("**Report**"), included a qualified opinion in relation to the audit of the financial statements of a subsidiary in China for the previous financial year ended 31 December 2013.

A copy of the Report is annexed hereto for shareholders' information.

Shareholders of the Company are advised to read the financial statements of the Group for FY2014, which will be dispatched to them on or around 15 April 2015.

By Order of the Board

Simon Eng  
Chief Executive Officer  
12 April 2015

# INDEPENDENT AUDITORS' REPORT

To the Members of Advance SCT Limited

1. We have audited the accompanying financial statements of Advance SCT Limited (the "Company") and its subsidiaries (the "Group") set out on pages 34 to 105, which comprise the balance sheets of the Company and the Group as at 31 December 2014, and the consolidated statement of changes in equity, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

## *Management's responsibility for the financial statements*

2. Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

## *Auditors' responsibility*

3. Our responsibility is to express an opinion on these financial statements based on conducting an audit in accordance with the Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

## *Basis for Qualified Opinion*

### *Limitation of Scope in auditing the financial statements of a subsidiary company for the previous financial year ended 31 December 2013*

6. Our independent auditors' report dated 8 April 2014 on the financial statements for the previous financial year ended 31 December 2013 expressed a qualified audit opinion due to the limitation of scope in auditing the financial statements of a subsidiary company for the previous financial year ended 31 December 2013.
7. The financial statements of Shenzhen Jestern Technology Co. Ltd (a subsidiary company based in the People's Republic of China which was acquired on 3 January 2013), for the previous financial year ended 31 December 2013, were audited by another auditor which was based in the People's Republic of China.

# INDEPENDENT AUDITORS' REPORT

To the Members of Advance SCT Limited

8. The consolidated financial statements of the Group for the previous financial year ended 31 December 2013 included the net profit, total assets, total liabilities and net assets of the subsidiary company amounting to S\$443,375, S\$7,559,568, S\$5,838,985 and S\$1,720,583, respectively.
9. We were unable to perform normal audit procedure as auditors of the Company on this subsidiary for the purpose of providing an opinion on the consolidated financial statements of the Group for the previous financial year ended 31 December 2013. Consequently, we were unable to determine what adjustments, if any, might be required to the consolidated financial statements of the Group for the previous financial year ended 31 December 2013.
10. Since the opening balances of the financial statements of the subsidiary company affect the determination of the Group's results of operations, we are unable to determine whether adjustments to the results of the Group's operations and the Group's opening accumulated losses might be necessary for the current financial year ended 31 December 2014.

## *Qualified Opinion*

11. In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraphs 6 to 10, the balance sheet of the Company and the consolidated financial statements of the Group, are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

## *Report on Other Legal and Regulatory Requirements*

12. In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are auditors have been properly kept in accordance with the provisions of the Act.

Moore Stephens LLP  
Public Accountants and  
Chartered Accountants

Singapore  
6 April 2015