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 quarter ended 31 March 2015 ("1Q2015")

Update on Financial Performance and Position

Group turnover decreased by 19.79% to S$12.9 million for the three months ended 31 March 2015 ("1Q2015") from S$16.1 million for the three months period ended 31 March 2014 ("1Q2014"). This is due to the change of business focus from recycling to manufacturing. Part of the revenue in 1Q2014 was derived from the remnants of recycling business still in the Group while revenue for 1Q2015 consisted of the sale of copper balls and wastewater treatment fees only.

Gross margin was lower in 1Q2015 as the new copper ball factory in the People's Republic of China had not reached the optimal level of operation. The Group expects gross margin to improve in the coming quarter when the second production line is put into trial operation.

Please refer to our results announcement for the financial period ended 31 March 2015 released on 14 May 2015 for full details.

Material Development and Future Directions

Barring unforeseen circumstances we are optimistic that our copper ball business will improve our financial position in 2015, especially if the segregation of our manufacturing and trading businesses can yield the desired outcome and assuming the price of copper remains stable at its current levels or appreciates gradually through the year.

At the same time, we are seeking strong partners for our wastewater treatment business with the view to opening up possibilities for further development on this front, given the huge capital requirements and highly competitive environment of this business.

The Company also wishes to announce that it had on 9 May 2015 terminated its exclusive relationship with Western Copper Co., Ltd, a Taipei-based trading house for copper balls for which the Group has a 52.77% interest, with the intention of eventually divesting its entire interest in Western Copper Co., Ltd. The Group took over the copper ball manufacturing facility in Kunshan (Suzhou province) from Western Copper end 2014 and has managed the production plant directly under a wholly-owned subsidiary, Western Metal Co., Ltd. However, Western Copper and its China subsidiary had remained the exclusive agents to market the copper balls produced by the Kunshan plant. With the termination of this relationship with Western Copper Co., Ltd, the Group will manage the marketing of copper balls directly with Western Copper remaining as an independent buyer. Further announcements will be made as and when appropriate.

The Group will also explore merger and acquisition opportunities to achieve inorganic growth.

BY ORDER OF THE BOARD
ADVANCE SCT LIMITED

Simon Eng
Chief Executive Officer
14 May 2015