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 fourth quarter ended 31 December 2015 ("4Q2015").

Unless otherwise defined in this announcement, capitalised terms have the meanings ascribed to it in the announcement dated 17 January 2016.

Update on Financial Performance and Position

Group's turnover increased by 12.9% to S$17.0 million in the fourth quarter ("4Q FY2015") compared to the same period last year but decreased by 25.8% to S$51.9 million for the financial year ended 31 December 2015 ("FY2015"). Revenue in FY2015 consisted of copper ball sales and wastewater treatment fees only; while part of the revenue in FY2014 was 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 fell significantly as copper price suffered a sharp decline through the year and the unit cost of the copper ball factory in the People's Republic of China had remained high, given its low utilisation rate.

Please refer to our results announcement for the financial period ended 31 December 2015 released on 26 February 2016 for full details.

Material Development and Future Directions

The commodities rout has prevented the Group from generating adequate cash flow to fund its operations and repay debts. The situation is unlikely to improve; in fact it may deteriorate further in the coming year. The high cost of sustaining its various factories in China is a major factor affecting the Group's bottom-line. The negative economic outlook around the world has also made it difficult to raise the much needed funds. Both factors are unlikely to change in the coming year. It is envisaged that a major restructuring of the Group's assets and debts will be required; at the same time, a strategic review of its business as well as business model is deemed necessary.

As announced on 17 January 2016, the Company and the remaining Eligible Creditors have agreed to vary the ASCT Scheme and by such variation settle all outstanding debts with the Company and terminate the ASCT Scheme on the terms set out in the announcement dated 17 January 2016.

As announced on 10 February 2016, the Company had made an application under section 210 of the Companies Act for a stay of proceedings and leave to convene meetings of its creditors for the purposes of approving a Scheme of Arrangement.

BY ORDER OF THE BOARD
ADVANCE SCT LIMITED

Simon Eng
Chief Executive Officer
26 February 2016