



ADVANCE SCT LIMITED

(Company Registration No.: 200404283C)

**MATERIAL VARIANCES BETWEEN AUDITED FINANCIAL STATEMENTS AND THE
PRELIMINARY UNAUDITED FULL-YEAR RESULTS ANNOUNCEMENTS FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2015**

The Board of Directors (the “**Board**”) of Advance SCT Limited (the “**Company**” together with its subsidiaries, the “**Group**”) refers to its unaudited full year financial results announcement for the financial year ended 31 December 2015 (“**FY2015**”) released via the SGXNET on 26 February 2016 (“**Preliminary Unaudited Results 2015**”).

Pursuant to Rule 704(6), the Board wishes to announce that, subsequent to the release of the Preliminary Unaudited Results 2015, the External Auditor has proposed certain adjustments and reclassifications which the management of the Company has adopted accordingly. These are Material Variances between the Audited Financial Results of the Group for FY2015 (“**Audited Results**”) and the Preliminary Unaudited Results 2015.

Details and explanations of the Material Variances pursuant to Rule 704(6) of the listing Manual of the SGX-ST are set out below:

Note (1) Material reclassifications/adjustments to consolidated group income statement as follows:

	Announced S\$'000	Audited S\$'000	Variance S\$'000
Loss after tax	15,083	16,124	(1,041)
Reasons: The net impact of S\$1.041 million was mainly due to the audit adjustments for: <ul style="list-style-type: none"> (i) Allowance for impairment of financial receivables of S\$0.880 million. (ii) Allowance for impairment of inventories of \$0.148 million based on the net realisable value as at 31 December 2015. (iii) Allowance for impairment on plant and equipment of S\$0.237 million as these machineries are no longer generating income. (iv) Increase in cost of sales of S\$0.396 million due to audit adjustment on under recognition of cost of sales. (v) Increase in financial income of S\$0.794 million due to under recognition of financial income. (vi) Increase in income tax expense of S\$0.318 million due to audit adjustment on income tax paid. 			

Note (2) Material adjustments/reclassification to consolidated group balance sheet as follows:

	Announced S\$'000	Audited S\$'000	Variance S\$'000
(A) Non-Current Assets	10,377	9,343	1,034
(B) Current Assets	4,469	4,381	88
(C) Current Liabilities	17,284	14,549	2,735
(D) Equity	(2,805)	(3,840)	(1,035)
Reasons: The audit adjustments and reclassifications for the variances are as below: (A) Decrease in non-current assets of S\$1.034 million is mainly due to the allowance for impairment of financial receivables and plant and equipment as explained in Note (1) (i) & (iii) above. (B) Decrease in current liabilities is mainly due to reclassification of serviceable loan and finance lease payables of approximately S\$2.735 million from current liabilities to non-current liabilities. (C) Equity decreased mainly due to audit adjustments to profit after tax as explained under Note (1) above.			

Note (3) Material adjustments/reclassification to consolidated cash flow as follows:

	Announced S\$'000	Audited S\$'000	Variance S\$'000
(A) Net cash used in operating activities	(2,924)	(3,128)	204
(B) Net cash used in investing activities	(500)	(377)	(123)
(C) Net cash used in financing activities	(3,641)	(3,560)	(81)
			0
Reasons: - Reclassifications of cash flows previously classified as investing activities and financing activities to operating activities.			

By Order of the Board

Simon Eng
Chief Executive Officer
15 April 2015