ADVANCE SCT LIMITED
(Registration No. 200404283C)

UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2017 ("1Q FY2017").

PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENTS FOR FIRST QUARTER RESULTS.

1(a)(i) A statement of comprehensive income for the Group together with a comprehensive statement for the corresponding period of the immediately preceding financial period.

		Group		
	Note	1Q FY2017	1Q FY2016	Inc / (Dec)
		S$'000	S$'000	
Continued operations				
Revenue	1	21,253	1,434	n.m*
Cost of sales		(20,901)	(1,391)	n.m*
Gross profit		**352**	**43**	n.m*
Other expenses - net	2	(47)	128	n.m
Administrative expenses	3	(157)	(783)	-80%
Profit/(Loss) from operations		148	(612)	n.m
Finance costs	3	(23)	(44)	-48%
Profit/(Loss) before income tax		**125**	**(656)**	n.m
Income tax		-	-	n.m
Profit/(Loss) from continued operation, net of tax	4	**125**	**(656)**	n.m
Discontinued operations				
Loss for the year from discontinued operation		**-**	(824)	n.m
Total profit/(loss) for the period		**125**	**(1,480)**	n.m
Attributable to:				
Equity holders of the Company		125	(1,341)	n.m
Non-controlling interests ("NCI")		-	(139)	n.m
		125	(1,480)	

n.m = not meaningful
n.m* = variance more than 100%

Notes

1. Group's turnover increased in 1Q FY2017 to S$21.2 million for the three months ended 31 March 2017 ("1Q FY2017"), slightly more than the quarter before (viz. S$19.1 million in 4Q FY2016) due to higher metal prices, though a significant change compared to S$1.4 million for the same period ended 31 March 2016 ("1Q FY2016"). Turnover has improved steadily since the major restructuring in 1Q FY2016.

2. Other expenses of S$47,000 is mainly due to unrealised loss on foreign currency (USD).

3. Post restructuring in 1Q FY2016, the Group has terminated its new-tech radiator business, resulting in further reduction in administrative and finance expenses in 1Q FY2017.

4. With a leaner organisation and more focused operation, the Group has now turned in a profit after income tax of S$125,000 in 1Q FY2017 as compared to a loss of S$1.5 million in 1Q FY2016.

1(a)(ii) The net profit/(loss) attributable to shareholders includes the following charges/ (credits).

		Group	
		1Q FY2017	**1Q FY2016**
		S$'000	S$'000
1.1	**Profit/(Loss) before income tax is arrived at after charging the following:**		
	Depreciation of plant and equipment	-	(34)
	Finance cost	(23)	(44)
1.2	**Other expenses - net comprises principally the following:**		
	Gain on foreign exchange - realised	1	-
	(Loss)/Gain on foreign exchange - unrealised	(50)	95
	Miscellaneous income	2	12
	w rite offof trade and other payables	-	21
		(47)	128

1(a)(iii) Consolidated Statement of Comprehensive Income.

	Group		
	1Q FY2017	1Q FY2016	Inc / (Dec)
	S$'000	S$'000	
Total profit/(loss) for the period	125	(1,480)	n.m
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Net loss relating to foreign currency translation differences arising from consolidation	(12)	(25)	-52%
Total comprehensive profit/(loss) for the period	**113**	**(1,505)**	
Total comprehensive profit/(loss) attributable to :			
Equity holders of the Company	113	(1,366)	n.m
Non-controlling interests	-	(139)	n.m
	113	(1,505)	

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

		Group		Company	
		31-Mar-17 S$'000	31-Dec-16 S$'000	31-Mar-17 S$'000	31-Dec-16 S$'000
Non-current assets					
Investment in subsidiaries		-	-	2	2
Current assets					
Prepayments		1	5	-	4
Trade and other receivables	1	3,223	2,911	146	39
Cash and cash equivalents		531	68	28	37
Current assets		3,755	2,984	174	80
Total Assets		**3,755**	**2,984**	**176**	**82**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital		196,454	196,454	196,454	196,454
Capital reserve		(654)	(654)	-	-
Share options reserve		544	544	544	544
Forex translation reserve		3	15	-	-
Accumulated losses		(210,515)	(210,640)	(211,993)	(211,835)
Total Equity		(14,168)	(14,281)	(14,995)	(14,837)
LIABILITIES					
Trade and other payables	2	5,244	4,636	4,142	3,890
Borrowings	3	4,391	4,341	2,741	2,741
Provision		8,288	8,288	8,288	8,288
		17,923	17,265	15,171	14,919
Total Equity and Liabilities		**3,755**	**2,984**	**176**	**82**

Notes

1. Trade and other receivables of S$3.2 million are related to the trading of metal products in Asiapac Recycling Pte Ltd as at 31 March 2017.

2. Similarly, trade payables of S$2.4 million are linked to metals products. Other payables of S$2.8 million was mainly from creditors under the proposed Scheme of Arrangement.

3. Increase in borrowings of S$50,000 is due to a short-term loan borrowed to fund the Group's overheads.

4. Although the Group is in net current liabilities position, the bulk of the Company's current liabilities including the arbitration award have been contained in the proposed Scheme of Arrangement. Until the Scheme is sanctioned, all creditors are restrained from legal actions against the Company.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable within one year

	As at 31 March 2017		As at 31 December 2016	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Borrowings	1,241	3,150	1,241	3,100

1(c) A statement of cash flow (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	1Q FY2017 S$'000	1Q FY2016 S$'000
Cash flows from operating activities		
Profit/(Loss) before tax	125	(1,480)
Adjustments for :		
Unrealised future trading loss	119	-
Unrealised foreign exchange gain/(loss)	50	(95)
Depreciation for plant and equipment	-	34
Finance cost	23	44
Loss on disposal of subsidiaries	-	824
Operating cash flow before working capital changes	317	(673)
Working capital changes		
Inventories	-	12
Trade and other receivables	(489)	(3,099)
Trade and other payables	608	3,879
Cash generated from operations	436	119
Interest paid	(23)	(44)
Net cash generated from operating activities	413	75
Cash flows from investing activities		
Disposal of subsidiaries, net cash	-	(189)
Net cash used in investing activities	-	(189)
Cash flows from financing activities		
Proceeds from short term loan	50	-
Net cash generated from financing activities	50	-
Net change in cash and bank balances	463	(114)
Cash and bank balances at beginning of financial period	68	514
Cash and bank balances at end of financial period	531	400

Notes

The Group has generated a positive cash flow of S$413,000 from operating activities in 1Q FY2017.

Net cash generated from financing activities is due to additional loan draw down by Asiapac Recycling Pte Ltd to facilitate metal products business.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the parent								
	Share capital	Capital reserve	Share application monies	Share options reserve	Foreign currency translation	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group									
Balance as at 1 January 2017	**196,454**	**(654)**	**-**	**544**	**15**	**(210,640)**	**(14,281)**	**-**	**(14,281)**
Net profit for the financial year	-	-	-	-	-	125	125	-	125
Foreign currency translation	-	-	-	-	(12)	-	(12)	-	(12)
Total comprehensive loss for the year	-	-	-	-	(12)	125	113	-	113
Balance as at 31 March 2017	**196,454**	**(654)**	**-**	**544**	**3**	**(210,515)**	**(14,168)**	**-**	**(14,168)**

	Attributable to owners of the parent								
	Share capital	Capital reserve	Share application monies	Share options reserve	Foreign currency translation	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group									
Balance as at 1 January 2016	196,454	-	1,127	544	456	(202,421)	(3,840)	(351)	(4,191)
Net loss for the financial period	-	-	-	-	-	(1,341)	(1,341)	(139)	(1,480)
Foreign currency translation	-	-	-	-	(25)	-	(25)	-	(25)
Total comprehensive income for the year	-	-	-	-	(25)	(1,341)	(1,366)	(139)	(1,505)
Disposal of subsidiaries	-	-	(1,127)	-	(434)	-	(1,561)	-	(1,561)
Balance as at 31 March 2016	**196,454**	**-**	**-**	**544**	**(3)**	**(203,762)**	**(6,767)**	**(490)**	**(7,257)**

	Share capital	Capital reserve	Share options reserve	Accumulated losses	Total
	S$'000	S$'000	S$'000		S$'000
Company					
Balance as at 1 January 2017	196,454	-	544	(211,835)	(14,837)
Net loss for the financial year	-	-	-	(158)	(158)
Disposal of subsidiaries	-	-	-	-	-
Balance as at 31 March 2017	**196,454**	**-**	**544**	**(211,993)**	**(14,995)**

	Share capital	Capital reserve	Share options reserve	Accumulated losses	Total
	S$'000	S$'000	S$'000		S$'000
Company					
Balance as at 1 January 2016	196,454	1,127	544	(206,506)	(8,381)
Net profit for the financial year	-	-	-	3,412	3,412
Disposal of subsidiaries	-	(1,127)	-	-	(1,127)
Balance as at 31 March 2016	**196,454**	**-**	**544**	**(203,094)**	**(6,096)**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash, or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's share capital for the reported quarter ended 31 March 2017. The number of ordinary shares issued was 14,942,564,101.

There was an outstanding $1.5 million of convertible bonds which may be converted into 1,500,000,000 ordinary shares, representing approximately 10% of the existing share capital. If fully converted, the total number of ordinary shares would increase to 16,442,564,101.

2. Whether the figures had been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures had been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements had been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as with the audited financial statement as at 31 December 2016.

5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group had adopted the Singapore Financial Standards ("SFRS") including improvements to SFRS and interpretations of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2017. Where applicable, the application of these standards did not have any significant impact on the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year after deducting any provision for preference dividends.

	Group	
	1Q FY2017	**1Q FY2016**
	cents	cents
Earning/(Loss) per share for the Group attributable to equity holders of the Company		
i) Basic	0.0008	(0.0100)
ii) On a fully diluted basis	0.0008	(0.0100)

Basic earnings per share for the 1Q FY2017 is calculated based on the weighted average number of shares of 14,942,564,101.

Diluted earnings per share for the 1Q FY2017 is calculated based on the weighted average number of shares of 16,442,564,101.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) Current financial period reported on; and
(b) Immediately preceding financial year

	Group	
	31-Mar-17	**31-Dec-16**
	Cents	Cents
NAV per share based on issued share capital as at the end of the period	(0.0948)	(0.0956)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Please refer Note in 1(a), 1(b) and 1(c).

9. Where a forecast, or a prospect statement, had been previously disclosed to shareholders, any variance between it and the actual results.

No material variance noted from previous prospect statement.

10. A commentary at the date of the announcement of the significant trends and the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Company has been placed on the SGX Watchlist since 4 March 2015 and has up till 3 March 2017 to submit an application to the SGX to exit the Watchlist in accordance with Rule 1314(1). The Company has on 3 March 2017 submitted to the SGX a request for extension of 12 months from 4 March 2017. To date, the Company has not received a response from the SGX. The Company is in discussion with relevant parties to acquire a profitable business in the electronic waste industry to supplement its current operations, which have shown signs of recovery.

The proposed Scheme of Arrangement has yet to be sanctioned by the High Court because of certain objections by one creditor. The Company has started negotiating with the said creditor for a settlement. The process is ongoing. Once a settlement is reached and the Scheme sanctioned, the Group will have an improved balance sheet for the current reporting period (FY2017). The court hearing to sanction the Scheme of Arrangement has been postponed from 8 May 2017 to 27 June 2017.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of immediately preceding financial year

Any dividend recommends for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the period under review.

13. If the Group has obtained a general mandate from shareholders for Interested Persons Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from its shareholders for IPTs. There were no IPT transactions for the period under review.

14. Negative confirmation of the Board Pursuant to Rule 705(5) of the Listing Manual

To the best knowledge of the Board of Directors, nothing material has come to the attention of the Board of Directors which may render the unaudited financial statement for 1Q FY2017 of the Group and the Company to be false or misleading in any material aspect.

15. Confirmation under Rule 720(1) of the listing manual.

The Company confirmed that it has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7.7) under Rule 720 (1) of the listing manual.

BY ORDER OF THE BOARD

Simon Eng
Chief Executive Officer
26 April 2017