



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 second quarter ended 30 June 2016 ("2Q2016").

Unless otherwise defined in this announcement, capitalised terms have the meanings ascribed to it in the announcement dated 12 August 2016.

Update on Financial Performance and Position

The Group completed a major restructuring in the first quarter of FY2016 (1QFY2016), resulting in a significantly downsized organisation with a lower debt level. As a result, the bulk of its revenue in FY2015 was lost and the Group's principal business has been the trading of copper materials under a wholly-owned subsidiary Asiapac Recycling Pte Ltd. The Group is now asset-light and has a much-reduced operating cost structure. Administrative expenses was reduced by 55%, which included compliance costs as well as legal fees related to the ongoing restructuring exercises.

In the second quarter (2QFY2016), the Group is able to increase its revenue by close to 572% over 1QFY2016 to S\$9.6 million. Though turnover for the first half of FY2016 was 56% lower than for the half year ended 30 June 2015, the Group has generated positive cash flow from operations of S\$820,000 and maintains a healthy cash position of S\$1.22 million. Comprehensive loss for the period has been reduced by 54% compared to the same period last year to S\$571,000. Other than compliance costs and legal expenses, the bulk of the loss was incurred by the new-tech radiator business, which it has restructured in July 2016.

Please refer to our results announcement for the financial period ended 30 June 2016 released on 12 August 2016 for full details.

Material Development and Future Directions

The Group has become much leaner after the debt restructuring in January 2016. The trading of copper materials is now its core business. However, given limited working capital, net profit from the business has yet to cover compliance costs and legal expenses related to ongoing restructuring. Finding additional working capital is therefore an urgent requirement. In this respect, the Group has achieved some success. As announced on 27 June 2016, the Group has signed a strategic alliance with BT Consulting & Management Pte Ltd ("BT Consulting") which has pledged to inject fresh cash of between S\$3 to S\$8 million into the company, subject to the Company's shares being lifted from suspension of trading and a Scheme of Arrangement being put in place. The Company will be seeking guidance from the Singapore Exchange with regards to the lifting of suspension as well as approval from its shareholders at an extraordinary general meeting for the issuing of new shares to BT Consulting.

The Company will review its investment in the new-tech radiator business, given the current state of the company. It involves a new technology that may require a longer-than-expected time frame towards profitability.

The Company has held a meeting of its creditors on 29 April 2016 pursuant to its application to enter into a Scheme of Arrangement under Section 210 of the Companies Act (Cap. 50). A resolution approving the Scheme was passed by the creditors attending the meeting, with the requisite statutory majority in relation as to both numbers and value. A court hearing has been scheduled on 22 August 2016 as a certain creditor has objected to the amount of his debt admitted to the creditors' meeting by the Scheme Manager. The Scheme Manager will explain his decision. If appropriate, the Company will apply to the Court to sanction the Scheme after the hearing.

Save for the above and as previously announced, there are no other material developments that may have a significant impact on the financial position of the Group or on its future direction at the moment.

BY ORDER OF THE BOARD
ADVANCE SCT LIMITED

Simon Eng
Chief Executive Officer
12 August 2016