



ADVANCE SCT LIMITED
(Registration No. 200404283C)

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2016 (“2Q FY2016”) AND HALF YEAR ENDED 30 JUNE 2016 (“1H FY2016”)

PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENTS FOR QUARTERLY AND HALF YEAR 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 year.

	Note	Group			Group		
		2Q FY2016	2Q FY2015	Inc/ (Dec)	1H FY2016	1H FY2015	Inc/ (Dec)
		S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	1	9,639	12,168	-21%	11,073	25,067	-56%
Cost of sales		(9,519)	(11,715)	-19%	(10,910)	(24,486)	-55%
Gross profit		120	453	-74%	163	581	-72%
Other operating (expenses)/income		12	102	n.m	(684)	311	n.m
Selling and distribution expenses		-	(97)	-100%	-	(245)	-100%
Administrative expenses	2	(654)	(1,461)	-55%	(1,703)	(2,616)	-35%
Loss from operations		(522)	(1,003)	-48%	(2,224)	(1,969)	13%
Finance costs		(11)	(129)	-91%	(55)	(369)	-85%
Loss before income tax from operations	2	(533)	(1,132)	-53%	(2,279)	(2,338)	-3%
Income tax		-	-	n.m	-	(3)	-100%
Total loss after tax		(533)	(1,132)	-53%	(2,279)	(2,341)	-3%
Attributable to:							
Equity holders of the Company		(533)	(929)	-43%	(2,279)	(1,871)	22%
Non-controlling interests (“NCI”)		-	(203)	n.m	-	(470)	-100%
		(533)	(1,132)	-53%	(2,279)	(2,341)	-3%

n.m = not meaningful

Notes

1. Group's turnover in 2Q FY2016 decreased by 21% as compared to 2Q FY2015 as the Group underwent a major restructuring in 1Q FY2016. It is now asset-light, with a much lower debt level. The Group's turnover for 1H FY2016 was 56% lower than 1H FY2015. Revenue in 1H FY2016 was generated by the copper trading business under Asiapac Recycling Pte Ltd.

2. Administrative expenses was reduced by 55% from S\$1.5 million in 2Q FY2015 to S\$0.7 million in 2Q FY2016 due to the major restructuring in 1Q FY2016. Administrative expenses for 2Q FY2016 mainly relates to compliance costs as well as legal fees incurred for the ongoing restructuring exercises. Loss before income tax decreased by 53% from S\$1.1 million in 2Q FY2015 to S\$0.5 million as compared to 2Q FY2016.

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

	Group			Group		
	2Q FY2016	2Q FY2015	Inc/ (Dec)	1H FY2016	1H FY2015	Inc/ (Dec)
	S\$'000	S\$'000		S\$'000	S\$'000	
Continuing Operations						
Finance cost	11	129	-91%	55	369	-85%
Depreciation of plant and equipment	159	30	n.m	193	129	50%
Net foreign exchange gain	(138)	(25)	n.m	(103)	(25)	n.m
Net loss on disposal of plant and equipment	-	38	-100%	-	38	-100%
Loss on disposal of subsidiaries	3	-	n.m	831	-	n.m

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

	Group			Group		
	2Q FY2016 S\$'000	2Q FY2015 S\$'000	Inc/(Dec)	1H FY2016 S\$'000	1H FY2015 S\$'000	Inc/(Dec)
Loss for the period	(533)	(1,132)	-53%	(2,279)	(2,341)	-3%
Other comprehensive income :						
Net exchange differences on translation of foreign entities' financial statements	(38)	(114)	-67%	(63)	291	n.m
Total comprehensive loss for the period	(571)	(1,246)		(2,342)	(2,050)	
Total comprehensive loss attributable to :						
Equity holders of the Company	(814)	(1,107)	-26%	(2,180)	(1,644)	33%
Non-controlling interests	243	(139)	n.m	104	(406)	n.m
	(571)	(1,246)	-54%	(2,076)	(2,050)	1%

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		
	30-Jun-16 S\$'000	31-Dec-15 S\$'000	30-Jun-16 S\$'000	31-Dec-15 S\$'000	
Non-current assets					
Plant and equipment	1	973	2,889	-	-
Investment in subsidiaries		-	-	1	3,329
Financial receivables		-	6,454	-	-
		<u>973</u>	<u>9,343</u>	<u>1</u>	<u>3,329</u>
Current assets					
Inventories		122	293	-	-
Prepayments		61	269	-	-
Trade and other receivables	2	5,076	3,165	3,377	224
Financial receivables		-	140	-	-
Cash and cash equivalents	3	1,220	514	86	83
		<u>6,479</u>	<u>4,381</u>	<u>3,463</u>	<u>307</u>
Current Assets					
		<u>6,479</u>	<u>4,381</u>	<u>3,463</u>	<u>307</u>
Total assets		<u>7,452</u>	<u>13,724</u>	<u>3,464</u>	<u>3,636</u>
Current liabilities					
Trade and other payables	2	10,007	5,485	5,286	2,801
Interest-bearing liabilities		1,741	5,640	1,241	2,955
Provision		3,424	3,424	3,424	3,424
		<u>15,172</u>	<u>14,549</u>	<u>9,951</u>	<u>9,180</u>
Non-current liabilities					
Interest-bearing liabilities		-	2,837	-	2,837
Deferred tax		-	529	-	-
		<u>-</u>	<u>3,366</u>	<u>-</u>	<u>2,837</u>
Total liabilities		<u>15,172</u>	<u>17,915</u>	<u>9,951</u>	<u>12,017</u>
Net liabilities		<u>(7,720)</u>	<u>(4,191)</u>	<u>(6,487)</u>	<u>(8,381)</u>
Equity					
Share capital		196,454	196,454	196,454	196,454
Capital reserve		(139)	-	-	-
Share application monies		-	1,127	-	1,127
Share options reserve		544	544	544	544
Forex translation reserve		(18)	456	-	-
Accumulated losses		(204,561)	(202,421)	(203,485)	(206,506)
Total attributable to equity holders of the Company		<u>(7,720)</u>	<u>(3,840)</u>	<u>(6,487)</u>	<u>(8,381)</u>
Non-controlling interests		-	(351)	-	-
Capital deficit		<u>(7,720)</u>	<u>(4,191)</u>	<u>(6,487)</u>	<u>(8,381)</u>

Notes

1. Plant and equipment had decreased from S\$2.9 million in 31 December 2015 to S\$1.0 million in 30 June 2016 due to the disposal of Green World Holdings Limited and its subsidiaries during the financial year.
2. The increase in 'trade and other receivables' to S\$5 million was due to increased trading operations in Asiapac Recycling Pte Ltd, which also resulted in an increase in 'trade and other payables' to S\$10 million as at 30 June 2016.
3. The Group's cash position has improved to S\$1.22 million compared to 31 December 2015.

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

Amount repayable within one year

	As at 30 June 2016		As at 31 Dec 2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Interest-bearing liabilities	1,741	-	1,623	2,562
Scheme Debt (c)	-	-	1,455	-
Total	<u>1,741</u>	<u>-</u>	<u>3,078</u>	<u>2,562</u>

Amount repayable after one year

	As at 30 June 2016		As at 31 Dec 2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Scheme Debt (c)	<u>-</u>	<u>-</u>	<u>2,837</u>	<u>-</u>

The Scheme Debts (a) and (c), which are interest-bearing, are defined below.

The Scheme of Arrangement approved in 2011 to govern the repayment of Eligible Debt (as defined below) of ca. S\$80 million then ("Scheme Debts") have been separated into three discrete amounts:

- (a) the first tranche of the restructured loan, at 1% of the Eligible Debt, shall be settled by the issuance of interest-bearing convertible notes, convertible to new shares in the capital of the Company;
- (b) the second tranche of the restructured loan, at 49% of the Eligible Debt, shall be settled by the issuance of non-interest-bearing convertible notes, convertible to new shares in the capital of the Company; and
- (c) The Serviceable Loan, at 50% of the Eligible Debt, shall be payable in instalments from the second anniversary of the Effective Date and be fully paid by the seventh anniversary of the Effective Date. At a shareholders meeting on 30 August 2013, the Serviceable Loan was made convertible to new shares in the capital of the Company in the same terms as (a) and (b).

Eligible Debt is defined as the Claim of a creditor of a Scheme Company under a Proof of Debt which is (1) subsequently admitted by the Scheme Manager in consultation with the Company and (2) the Adjudicated amount.

On 17 March 2016, the Company announced that the above Scheme of Arrangement has been terminated with effect from 21 January 2016. The total debts of S\$5.541million as at 31 December 2015 have been repaid.

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

CASHFLOW STATEMENT	Group		Group	
	2Q FY2016	2Q FY2015	1H FY2016	1H FY2015
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Loss before tax	(533)	(1,132)	(2,279)	(2,338)
Adjustments for :				
Depreciation for plant and equipment	159	30	193	129
Net loss on disposal of plant and equipment	-	38	-	38
Finance cost	11	129	55	369
Interest income	-	(14)	-	(14)
Loss on disposal of subsidiary	3	-	831	-
Operating cash flow before working capital changes	(360)	(949)	(1,200)	(1,816)
Working capital changes				
Inventories	(3,136)	5,079	(3,124)	1,987
Trade and other receivables	5,818	(2,214)	2,585	(3,901)
Trade and other payables	(1,491)	(6,258)	2,689	(393)
Cash used in from operations	831	(4,342)	950	(4,123)
Interest paid	(11)	(129)	(55)	(369)
Income tax refund/(paid)	-	5	-	(24)
Net cash generated/(used in) from operating activities	820	(4,466)	895	(4,516)
Cash flows from investing activities				
Net cash outflow s from disposal of subsidiaries	-	-	(189)	-
Purchase of plant and equipment	-	-	-	(105)
Proceeds from disposal of plant and equipment	-	175	-	175
Net cash generated/(used in) from investing activities	-	175	(189)	70
Cash flows from financing activities				
Repayment of finance lease creditors, net	-	(19)	-	(117)
Proceeds from/(Repayment of) bank borrow ings, net	-	962	-	(1,044)
Net cash generated/(used in) from financing activities	-	943	-	(1,161)
Net change in cash and bank balances	820	(3,348)	706	(5,607)
Cash and bank balances at beginning of financial period	400	5,320	514	7,579
Cash and bank balances at end of financial period	1,220	1,972	1,220	1,972

Cash and cash equivalents at the end of the reporting period as shown in the consolidated cash flow statements are as follows:

	Group	
	30 Jun 2016	30 Jun 2015
	S\$'000	S\$'000
Cash and cash equivalents, as above	1,220	4,128
Cash at bank and fixed deposits pledged	-	(2,156)
	<u>1,220</u>	<u>1,972</u>

Notes

Net cash inflow from operating activities in 2QFY2016 of S\$820,000 has resulted in an increase in working capital. This was due to increase in trade and other receivables, offset against the increase in trade and other payables.

There are no cash flow movements in investment and financing activities in 2QFY2016.

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 →					Total attributable to equity holders of the Company	Non-controlling interests	Equity
	Share capital	Capital reserve	Share options reserve	Foreign currency translation	Accumulated losses			
GROUP (30 June 2016)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2016	196,454	-	544	(3)	(204,028)	(7,033)	(490)	(7,523)
Net loss for the financial period	-	-	-	-	(533)	(533)	-	(533)
Other comprehensive income:								
Net exchange differences on translation of foreign entities' financial statements	-	-	-	(15)	-	(15)	243	228
Total comprehensive loss for the period	-	-	-	(15)	(533)	(548)	243	(305)
Disposal of subsidiaries	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	(139)	-	-	-	(139)	247	108
Balance as at 30 June 2016	196,454	-	544	(18)	(204,561)	(7,720)	-	(7,720)

	← Attributable to owners of the parent →						Total attributable to equity holders of the Company	Non-controlling interests	Equity
	Share capital	Capital reserve	Share application monies	Share options reserve	Foreign currency translation	Accumulated losses			
GROUP (30 Jun 2015)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2015	196,454	(146)	1,127	815	579	(191,150)	7,679	210	7,889
Net loss for the financial period	-	-	-	-	-	(929)	(929)	(203)	(1,132)
Other comprehensive income :									
Net exchange differences on translation of foreign entities' financial statements	-	-	-	-	(178)	-	(178)	64	(114)
Total comprehensive income for the period	-	-	-	-	(178)	(929)	(1,107)	(139)	(1,246)
Capital conversion to shareholders' debt	-	-	-	-	-	-	-	(135)	(135)
Balance as at 30 Jun 2015	196,454	(146)	1,127	815	401	(192,079)	6,572	(64)	6,508

	Share capital	Share options reserve	Deficit	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Company (30 June 2016)				
Balance as at 1 April 2016	196,454	544	(203,094)	(6,096)
Net loss for the financial period	-	-	(391)	(391)
Balance as at 30 June 2016	196,454	544	(203,485)	(6,487)

	Share capital	Share application monies	Share options reserve	Deficit	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company (30 June 2015)					
Balance as at 1 April 2015	196,454	1,127	815	(195,412)	2,984
Net loss for the financial period	-	-	-	(282)	(282)
Balance as at 30 June 2015	196,454	1,127	815	(195,694)	2,702

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 30 June 2016. The number of ordinary shares issued was 14,929,214,427.

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 16,429,214,427.

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 compared to the audited financial statement as at 31 December 2015, as well as all applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2016. The adoption of those new and revised FRS has no material effect on the half-year results ending 30 June 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.

Please refer to item 4 above.

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		Group	
	2Q FY2016	2Q FY2015	1H FY2016	1H FY2015
	Cents	Cents	Cents	Cents
Continuing Operations				
Loss per share (EPS) in cents				
i) Basic	(0.004)	(0.01)	(0.02)	(0.02)
ii) On a fully diluted basis	(0.003)	(0.01)	(0.01)	(0.02)

Basic loss per share for the 2QFY2016 and 2QFY2015 are calculated based on the weighted average number of shares of 14,929,214,427(excluding treasury shares).

Basic loss per share for the 1HFY2016 and 1HFY2015 are calculated based on the weighted average number of shares of 14,929,214,427 and 14,831,567,426 (excluding treasury shares) respectively.

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		Company	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Net liabilities value per share (cents)	(0.05)	(0.03)	(0.04)	(0.06)

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.

Not applicable.

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 Group has become much leaner after the debt restructuring in January 2016. The trading of copper materials is now its main business, undertaken by a wholly-owned subsidiary Asiapac Recycling Pte Ltd. To reach profitability at the Group level, it has to urgently raise cash to boost the volume of trade and increase revenue.

The copper radiator business involves a new technology that may require a longer-than-expected time frame towards profitability. The Group is therefore reviewing its viability as part of a strategic review it is undertaking with the assistance of a strategic partner, BT Consulting & Management Pte Ltd, which has pledged to inject fresh cash of between S\$3 to S\$ 8 million into the Company.

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 recommend 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.

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 has not obtained a general mandate from shareholders for IPTs.

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 2QFY2016 and the half-year ended 30 June 2016 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
12 Aug 2016