ADVANCE SCT LIMITED
(Registration No. 200404283C)

UNAUDITED FINANCIAL STATEMENTS FOR QUARTER ENDED 30 SEPTEMBER 2018 ("3Q FY2018") AND NINE MONTHS ENDED 30 SEPTEMBER 2018 ("9M FY2018").

PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENTS FOR QUARTERLY AND NINE MONTHS 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.

	Group			Group		
	3Q FY2018 S$'000	3Q FY2017 S$'000	Inc / (Dec) %	9M FY2018 S$'000	9M FY2017 S$'000	Inc / (Dec) %
Revenue	11,522	24,567	(53.1)	46,766	60,763	(23.0)
Cost of sales	(11,494)	(24,236)	(52.6)	(46,018)	(59,799)	(23.0)
Gross profit	**28**	**331**	(91.5)	**748**	**964**	(22.4)
Administrative expenses	(262)	(130)	101.5	(780)	(513)	52.0
Finance costs	(23)	(33)	(30.3)	(95)	(133)	(28.6)
Operating (loss)/profit	**(257)**	**168**	n.m	**(127)**	**318**	n.m
Other income/(expenses) - net	21	(10)	n.m	49	975	(95.0)
(Loss)/Profit before income tax	**(236)**	**158**	n.m	**(78)**	**1,293**	n.m
Income tax	-	-		-	-	
(Loss)/Profit after income tax	**(236)**	**158**	n.m	**(78)**	**1,293**	n.m

n.m = not meaningful

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

		Group		Group	
		3Q FY2018 S$'000	3Q FY2017 S$'000	9M FY2018 S$'000	9M FY2017 S$'000
1.1	**Profit before income tax is arrived at after charging the following:**				
	Finance cost	(23)	(33)	(95)	(133)
1.2	**Other income - net comprises principally the following:**				
	Write off of trade and other payables	-	-	-	1,638
	Realised foreign exchange gain	-	-	5	6
	Unrealised foreign exchange gain/(loss)	19	(2)	40	(52)
	Government grant	-	-	2	-
	Miscellaneous income	3	(1)	3	5
	Restructuring cost	-	(7)	-	(207)
	Provision of penalty charge	-	-	-	(415)
		21	(10)	49	975

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

	Group			Group		
	3Q FY2018 S$'000	**3Q FY2017 S$'000**	**Inc / (Dec) %**	**9M FY2018 S$'000**	**9M FY2017 S$'000**	**Inc / (Dec) %**
(Loss)/Profit after income tax	(236)	158	n.m	(78)	1,293	n.m
Other comprehensive income:						
Foreign currency translation difference	(30)	8	n.m	13	18	(27.8)
Total comprehensive (loss)/profit for the period attributable to the owners of the company	**(266)**	**166**	n.m	**(65)**	**1,311**	n.m

n.m = not meaningful

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-Sep-18 S$'000	**31-Dec-17** S$'000	**30-Sep-18** S$'000	**31-Dec-17** S$'000
Non-current assets				
Investment in subsidiaries	-	-	2	2
Current assets				
Trade receivables	2,163	7,753	-	-
Other receivables	41	13	40	10
Cash and cash equivalents	1,058	490	19	32
Current assets	3,262	8,256	59	42
Total Assets	**3,262**	**8,256**	**61**	**44**
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	209,281	196,454	209,281	196,454
Capital reserve	(654)	(654)	-	-
Share options reserve	544	544	544	544
Forex translation reserve	11	(1)	-	-
Accumulated losses	(209,210)	(209,132)	(212,510)	(211,812)
Total Equity	(28)	(12,789)	(2,685)	(14,814)
LIABILITIES				
Trade payables	1,167	6,854	-	-
Other payables	1,123	1,260	2,746	3,096
Borrowings	1,000	12,931	-	11,762
	3,290	21,045	2,746	14,858
Total Equity and Liabilities	**3,262**	**8,256**	**61**	**44**

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

Amount repayable within one year

	As at 30 September 2018		**As at 31 December 2017**	
	Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
Borrowings	-	1,000	1,241	11,690

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		Group	
	3Q FY2018 S$'000	3Q FY2017 S$'000	9M FY2018 S$'000	9M FY2017 S$'000
Cash flows from operating activities				
(Loss)/Profit after tax from continuing operations	(236)	158	(78)	1,293
Adjustments for :				
Unrealised future trading loss	-	16	-	135
Unrealised foreign exchange (gain)/loss	(19)	2	(40)	52
Interest and bank charges	-	33	72	133
Provision for penalty charge	-	-	-	(415)
Write off of trade and other payables	-	-	(77)	(1,638)
Operating cash flow before working capital changes	(255)	209	(123)	(440)
Working capital changes				
Trade and other receivables	(174)	(4,602)	5,614	(5,092)
Trade and other payables	(586)	5,028	(5,884)	6,680
Cash (used in)/generated from operations	(1,015)	635	(393)	1,148
Interest paid	-	(33)	(72)	(133)
Net cash (used in)/generated from operating activities	**(1,015)**	**602**	**(465)**	**1,015**
Cash flows from financing activities				
(Repayment of)/ Proceeds from borrowings, net	(630)	(236)	(907)	(186)
Proceed from issuance of Redeemable Convertible Bond, net	-	-	1,940	-
Net cash generated (used in)/from financing activities	**(630)**	**(236)**	**1,033**	**(186)**
Net change in cash and bank balances	(1,645)	366	568	829
Cash and bank balances at beginning of financial period	2,703	531	490	68
Cash and bank balances at end of financial period	**1,058**	**897**	**1,058**	**897**

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.

	Share capital	Capital reserve	Share options reserve	Currency translation reserve	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
Balance as at 1 July 2018	**209,281**	**(654)**	**544**	**41**	**(208,974)**	**238**
Net profit for the financial period	-	-	-	-	(236)	(236)
Foreign currency translation	-	-	-	(30)	-	(30)
Total comprehensive income for the period	-	-	-	(30)	(236)	(266)
Balance as at 30 September 2018	**209,281**	**(654)**	**544**	**11**	**(209,210)**	**(28)**

	Share capital	Capital reserve	Share options reserve	Currency translation reserve	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
Balance as at 1 July 2017	196,454	(654)	-	25	(208,962)	(13,137)
Net profit for the financial period	-	-	-	-	158	158
Foreign currency translation	-	-	-	8	-	8
Total comprehensive profit for the period	-	-	-	8	158	166
Write off share options reserve	-	-	-	-	-	-
Balance as at 30 September 2017	**196,454**	**(654)**	-	**33**	**(208,804)**	**(12,971)**

	Share capital	Share options reserve	Accumulated losses	Total
	S$'000	S$'000	S$'000	S$'000
Company				
Balance as at 1 July 2018	209,281	544	(212,345)	(2,520)
Net loss for the financial period	-	-	(165)	(165)
Balance as at 30 September 2018	**209,281**	**544**	**(212,510)**	**(2,685)**

	Share capital	Share options reserve	Accumulated losses	Total
	S$'000	S$'000	S$'000	S$'000
Company				
Balance as at 1 July 2017	196,454	-	(210,175)	(13,721)
Net profit for the financial period	-	-	(143)	(143)
Write off share options reserve	-	-	-	-
Balance as at 30 September 2017	**196,454**	-	**(210,318)**	**(13,864)**

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at 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 September 2018. The number of ordinary shares issued was 41,316,908,000.

The Company does not have any treasury shares and does not have any subsidiary that holds shares issued by the Company.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

Total number of issued shares excluding treasury shares	Number of shares
Balance as at 30 September 2018	41,316,907,761[(1)]
Balance as at 31 December 2017	14,942,564,101

[(1)] The increase in issued shares was due to the allotment and issuance of 22,374,343,660 Capitalisation shares and 4,000,000,000 Conversion Shares in relation to the Debt Capitalisation Exercise and RCB Issuance, respectively. The Debt Capitalisation Exercise was completed on 27 February 2018.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company does not have any treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company does not have any subsidiary that holds shares issued by the Company.

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.

Except as disclosed in paragraph 5 below, 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 2017.

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.

In December 2017, the Accounting Standards Council issued a new financial reporting framework – Singapore Financial Reporting Standards (International) ("SFRS(I)"), which is to be adopted by Singapore-incorporated companies listed on the SGX-ST, for annual periods beginning on or after 1 January 2018. SFRS(I) is identical to the International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group and the Company have adopted the new framework for the first time for financial year ending 31 December 2018 and SFRS(I) 1 First time Adoption of Singapore Financial Reporting Standards (International) will be applied in the first set of SFRS(I) financial statements.

Management has performed a preliminary analysis of the transition options and other requirements of SFRS(I) 1 and has determined that there is no change to the Group's current accounting policies or material adjustments on transition to the new framework. The adoption of the new SFRS(I) and its related interpretations is assessed to have no significant impact to the Group's consolidated financial statements for the current financial period reported on.

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	
	3Q FY2018	**3Q FY2017**	**9M FY2018**	**9M FY2017**
	cents	cents	cents	cents
Continuing Operations				
Earnings per share for the Group attributable to equity holders of the Company				
i) Basic	(0.0006)	0.0011	(0.0002)	0.0087
ii) On a fully diluted basis	(0.0006)	0.0011	(0.0002)	0.0087

Note: Basic earnings per share for 3Q18 3Q17 were calculated based on the weighted average number of shares of 41,316,908,000 and 14,942,564,000 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-Sep-18	**31-Dec-17**	**30-Sep-18**	**31-Dec-17**
	Cents	Cents	Cents	Cents
NAV per share based on issued share capital as at the end of the period	(0.0001)	(0.0856)	(0.0065)	(0.0991)

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

Financial Performance (3Q18 vs 3Q17)

Revenue for the Group fell by 53.1% to S$11.5 million for 3Q18 as a result of lower trading volume for metal products. Gross margin fell to 0.24% in 3Q18 compared to1.35% 3Q17.

Administrative expenses rose by S$0.13 million to S$0.26 million, which comprised mainly costs relating to storage and warehousing for supply chain presence in China in relation to the trading business.

Finance cost fell by S$0.01 million to S$0.023 million on completion of the Debt Capitalisation Exercise and as a result of lower borrowings.

Other income comprised mainly of unrealised foreign exchange gain (US$/S$) of S$0.019 million.

Given the above, the Group reported a Net Loss of S$0.24 million for 3Q18. For the 9 months ended 30 September 2018, the Group reported a Net Loss of S$0.078 million.

Financial Position (30 September 2018 vs 31 December 2017)

Trade receivables fell by S$5.6 million to S$2.2 million on the back of lower trading revenues.

Other receivables, which comprised mainly of prepayment and deposits, rose to S$0.041 million due mainly to prepayment of office rental.

Trade payables fell by S$5.7 million to S$1.2 million as a result of lower trade purchases.

Other payables, including accrued operating expenses, fell by S$0.14 million to S$1.1 million due mainly to payments of non-trade supplies.

Both trade receivables and trade payables are related to the trading of metal products by our subsidiary, Asiapac Recycling Pte Ltd ("Asiapac Recycling").

Borrowings fell sharply by S$11.9 million to S$1.0 million on completion of the Debts Capitalisation Exercise. Borrowings as at 30 September 2018 related to a short-term loan.

Shareholders' Equity

Upon completion of the Debt Capitalisation Exercise, issued share capital rose by S$12.8 million to S$209.3 million. As a result, Net Liabilities, after accounting for current period losses and accumulated losses, reduced sharply to S$0.028 million as at 30 September 2018.

Note: The Debt Capitalisation Exercise was completed on 27 February 2018.

Cash Flows for 3Q FY2018

Net cash used in operating activities was S$1.0 million due mainly to working capital funding for both receivables and payables relating to the trading business.

Net cash used in financing activities was S$0.63 million due mainly to the repayment of short-term loan by our operating subsidiary, Asiapac Recycling.

Given that, cash and bank balances fell by S$1.6 million during the quarter under review to S$1.1 million as at 30 September 2018.

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

The Group had previously warned uncertainty in global economic conditions and the risk of China-US trade war, which might affect the trading business. The Group reported a Net Loss of S$0.24 million for 3Q18 and a small loss of S$0.078 million for the 9 months ended 30 September 2018.

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 will continue to trade exchange-regulated metal products with caution given the prevailing macroeconomic conditions such as the US-China trade war and renewed uncertainty in the commodities market. While this market volatility may affect the Group's existing trading business, we will trade back-to-back orders and keep minimum inventories.

We had also previously announced that we would evaluate growth initiatives and implement new investment parameters, which may include business diversification strategies. The following events occurred over the last few months:

- On 24 July 2018, Mr. Teh Wing Kwan was appointed as Executive Chairman and Chief Executive Officer of the Company with the key role of initiating corporate strategic reviews, setting new business directions, leading in implementation of growth initiatives and executing new investment strategies;

- On 20 August 2018, we entered into a non-binding letter of collaboration with the Tokyo-Stock Exchange listed Dai-Dan Co., Ltd and the Singapore-based N&T Engineering Enterprises Pte Limited to jointly explore and evaluate business opportunities in relation to mechanical and electrical ("M&E") engineering works specifically for mission critical facilities and infrastructures in Singapore and other parts of Southeast Asia; and

- On 7 November 2018, we announced plans to diversify into the business of M&E and structural engineering for mission-critical facilities and infrastructure and mission-critical system, which could also potentially support smart city applications and smart facilities management. In this aspect, we mentioned that we would evaluate potential acquisition targets, explore joint venture opportunities and discuss on strategic collaboration structure.

Given the above-mentioned:

- We are proposing a change of the Company's name to Citicode Ltd in order to reflect our new strategic direction;

- We have also been following on the news and major developments in the M&E and infrastructure engineering industry since the announcement of the "smart nation" initiatives, the establishment of "GovTech" by the Singapore Government and the establishment of Infrastructure Asia. We will continue to follow closely on such key initiatives.

The Company will convene an extraordinary general meeting to seek Shareholders' approval for the proposed business diversification and the proposed change of name. We will update shareholders in due course.

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 recommended for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

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

12. 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.

13. Negative Confirmation pursuant to Rule 705(5) of the Listing Manual.

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements of the Group and the Company for the third quarter ended 30 September 2018 to be false or misleading in any material aspect.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1)

The Company confirms 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

Teh Wing Kwan
Executive Chairman and Chief Executive Officer
14 November 2018