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 fourth quarter ended 31 December 2016 ("4Q2016").

Unless otherwise defined in this announcement, capitalised terms have the meanings ascribed to it in the announcement dated 28 February 2017.

Update on Financial Performance and Position

The Group was significantly restructured in 1Q FY2016. It is now asset-light and has a lower level of debt. Turnover has been improving consistently throughout the last three quarters of FY2016. It increased further in 4Q FY2016 to S$19.1 million and the Group ended the year with a revenue of S$46.8 million. At the same time, administrative expenses have been reduced to a more manageable S$1.7 million in FY2016.

In the second half of FY2016, the Company decided to exit entirely from the new-tech radiator business. The related plant and equipment have been fully impaired and an allowance for stock obsolescence provided. These, together with the additional provision of S$4.9 million for legal claims related to the arbitration award in China, resulted in a one-time other expense of S$6.9 million in FY2016.

Post-restructuring, the Company had dedicated the scarce resources to continuing its copper products trading business. In the last two quarters of FY2016, the Group's operating subsidiary Asiapac Recycling Pte Ltd ("APR") has been able to generate a net profit.

The Group's balance sheet will improve significantly when the Scheme is sanctioned, as the bulk of its current liabilities, including a full provision of the arbitration award of S$8.3 million, have been contained in the proposed Scheme, which aims to settle all outstanding claims by way of issuing new shares in the Company. Pending a decision from the High Court of Singapore with regards to the proposed Scheme of Arrangement, all creditors are restrained from legal actions against the Company.

Please refer to our results announcement for the financial period ended 31 December 2016 released on 28 February 2017 for full details.

Material Development and Future Directions

The Group has been able to borrow additional working capital at the subsidiary level to keep its business running. However, profit generated from the subsidiary has been inadequate to cover various expenses related to litigations and debt restructuring. The Company intends to raise new funds through private placement. To this end, as announced on 11 January 2017, the Company is preparing a Resumption Proposal for submission to the SGX within six months from the date of the announcement with the view to resuming trading of its securities.

Given its familiarity with the metal processing and expertise in metal recycling, the Company has been exploring with various parties in the metal industry for M&A (merger and acquisition) opportunities. The objective is to grow the company and boost profit level both organically as well as inorganically. The Company will apply to the SGX by 3 March 2017 for a one-year extension of time from 4 March 2017 to realise its plans and to exit the Watchlist.

BY ORDER OF THE BOARD
ADVANCE SCT LIMITED

Simon Eng
Chief Executive Officer
1 March 2017