



Advance SCT Limited
 Company Registration No.200404283C
 6 Tuas View Circuit
 Singapore 637599

HALF YEAR FINANCIAL STATEMENT FOR PERIOD ENDED 30 JUNE 2007

PART I INFORMATION REQUIRED FOR HALF YEAR ANNOUNCEMENT

1(a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 6 months to 30 June 2007 S\$'000	Group 6 months to 30 June 2006 S\$'000	Increase/ (Decrease) %
Revenue	204,811	81,228	152%
Cost of sales	<u>(184,655)</u>	<u>(74,017)</u>	149%
Gross profit	20,156	7,211	180%
Other operating income	1,296	29	4369%
Selling and distribution expenses	(3,252)	(320)	916%
Administrative expenses	(6,590)	(3,181)	107%
Other operating expenses	(396)	(590)	(33%)
Finance costs	(2,433)	(1,474)	65%
Share of profits in associated company	<u>-</u>	<u>701</u>	
Profit before income tax	8,781	2,376	269%
Income tax	<u>(1,116)</u>	<u>(342)</u>	249%
Profit after income tax	<u>7,665</u>	<u>2,034</u>	277%
Attributable to:			
Equity holders of the Company	7,022	1,850	279%
Minority interests	<u>643</u>	<u>184</u>	249%
	<u>7,665</u>	<u>2,034</u>	277%

Note :- The consolidated results for the Group for the financial period ended 30 June 2007 incorporate the results of TTM Industries Sdn (M) Sdn ("TTMI"), Tsing Technologies (M) Sdn Bhd ("Tsing") and PTNuansa Citra Cemerlang ("PTNCC"), which became subsidiaries of the Group during the year. The consolidated results for the Group for the financial period ended 30 June 2006 does not includes the results of these companies .

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

	Group 6 months to 30 June 2007 S\$'000	Group 6 months to 30 June 2006 S\$'000
Finance expense	2,433	1,474
Depreciation of property, plant and equipment	2,369	874
Allowance for doubtful receivables	-	29
Foreign exchange loss	167	471
Gain on disposal of plant and equipment	(635)	10
Amortisation of intangible asset	6	14
Plant and equipment written off	-	328

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

BALANCE SHEET

	Group As At 30 June 2007 S\$'000	Group As At 31 December 2006 S\$'000	Company As At 30 June 2007 S\$'000	Company As At 31 December 2006 S\$'000
Non-current assets				
Property, plant and equipment	48,948	34,533	-	-
Intangible assets	14,379	2,608	-	50
Investment in subsidiaries	-	-	53,017	36,052
Investment in associated company	1,574	1,573	1,361	1,361
	<u>64,901</u>	<u>38,714</u>	<u>54,378</u>	<u>37,463</u>
Current assets				
Inventories	91,103	11,512	-	-
Trade receivables	48,017	56,067	-	-
Other receivables and advance payments	28,294	13,645	21,918	20,874
Investments	-	660	-	660
Cash and bank balances	5,739	16,223	397	7,055
Interest rate swap	-	2	-	-
	<u>173,153</u>	<u>98,109</u>	<u>22,315</u>	<u>28,589</u>
Less:-				
Current liabilities				
Trade and other payables	35,257	9,132	18	425
Interest-bearing liabilities	115,299	48,099	20,000	8,227
Current income tax payable	3,005	2,579	-	-
	<u>153,561</u>	<u>59,810</u>	<u>20,018</u>	<u>8,652</u>
Net current assets	<u>19,592</u>	<u>38,299</u>	<u>2,297</u>	<u>19,937</u>
Non-current liabilities				
Interest-bearing liabilities	13,338	13,057	3,015	4,757
Deferred tax	1,613	1,612	-	-
Provision for employee benefits	25	44	-	-
	<u>14,976</u>	<u>14,713</u>	<u>3,015</u>	<u>4,757</u>
	<u>69,517</u>	<u>62,300</u>	<u>53,660</u>	<u>52,643</u>

Equity

Share capital	50,595	50,759	50,595	50,759
Accumulated profits	16,815	11,114	3,065	1,884
Foreign currency translation account	106	(112)	-	-
Total attributable to equity holder of the Company	67,516	61,761	53,660	52,643
Minority interests	2,001	539	-	-
Total equity	69,517	62,300	53,660	52,643

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

	As at 30 June 2007		As at 31 December 2006	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount due to bankers	92,314	-	35,623	-
Finance lease liabilities	2,559	-	2,549	-
Term loans	20,426	-	9,691	-
Bank overdrafts			236	
Total	115,299	-	48,099	-

Amount repayable after one year

	As at 30 June 2007		As at 31 December 2006	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	8,698	-	7,556	-
Finance lease liabilities	4,640	-	5,501	-
Total	13,338	-	13,057	-

Amount due to bankers are secured either against corporate guarantees of the Company or its subsidiaries.

Term loans outstanding are secured as follows:-

- (a) S \$7.7m is secured against the properties of certain subsidiaries
- (b) S\$21.4m is secured against corporate guarantees of the subsidiaries;

Finance lease liabilities are secured by way of:-

- (a) Charge against the Group's plant and equipment and motor vehicles; and
- (b) Corporate guarantees of the Company or its subsidiary.

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

CASH FLOW STATEMENT	Group 30 June 2007 S\$'000	Group 30 June 2006 S\$'000
Cash flows from operating activities		
Profit before income tax	8,781	2,376
Adjustments for :-		
Depreciation for property, plant and equipment	2,369	874
Currency translation	-	(99)
(Gain) on disposal of investment	(82)	-
(Gain) on disposal of plant and equipment	(635)	(10)
Provision for doubtful debts	-	(135)
Interest expense	2,433	1,286
Interest income	(26)	(7)
Share of result of associated companies	-	(701)
Plant and equipment written off	-	109
Amortisation of intangible assets	6	14
Provision of employee benefits	(19)	35
Operating profits before working capital changes	12,826	3,742
Working capital changes		
Inventories	(72,433)	(540)
Trade and other receivables	4,091	3,343
Trade and other payables	997	(184)
Cash absorbed by operations	(54,518)	6,361
Interest paid	(2,433)	(1,654)
Interest income	26	7
Income tax paid	(689)	(270)
Net cash generated from operating activities	(57,613)	4,444
Cash flows from investing activities		
Acquisition of subsidiaries, net	(15,972)	(3,227)
Purchase of plant and equipment	(1,541)	(2,057)
Intangible assets	-	(157)
Proceeds from disposal of investment	940	-
Proceeds from disposal of plant and equipment	1,392	33
Deposit for investment	-	1,000
Net cash used in investing activities	(15,181)	(4,408)
Cash flows from financing activities		
Proceeds from issuance of share capital	(164)	(101)
Repayment of finance lease creditors	(1,725)	(1,760)
Net increase in borrowings	65,756	12,744
Dividend payment	(1,321)	-
Minority interest	-	694
Net cash from financing activities	62,546	11,577
Net change in cash and bank balances	(10,248)	11,613
Cash and bank balances at beginning of financial year	15,987	6,734
Cash and bank balances at end of financial year	5,739	18,347

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.

(ok)

GROUP (30 June 2007)	Share capital S\$'000	Foreign currency translation account S\$'000	Accumulated profits S\$'000	Total attributable to equity holder of the Company S\$'000	Minority interests S\$'000	Total S\$'000
Balance as at 1 Jan 2007	50,759	(112)	11,114	61,761	539	62,300
Acquisition of subsidiary	-	-	-	-	819	819
Shares issue expenses	(164)	-	-	(164)	-	(164)
Net profit for the year	-	-	7,022	7,022	643	7,665
Dividend paid for the year	-	-	(1,321)	(1,321)	-	(1,321)
Net exchange differences on translation of foreign entity's financial statements	-	218	-	218	-	218
Balance as at 30 June 2007	50,595	106	16,815	67,516	2,001	69,517

GROUP (30 June 2006)	Share capital S\$'000	Share premium account S\$'000	Foreign currency translati on account S\$'000	Legal reserve S\$'000	Accumulated profits S\$'000	Total attributable to equity holder of the Company S\$'000	Minority interests S\$'000	Total S\$'000
Balance as at 1 Jan 2006	8,528	7,489	80	27	4,783	20,907	1,633	22,540
Issuance of shares	10,035	-	-	-	-	10,035	-	10,035
Acquisition of subsidiary	-	-	-	-	-	-	(570)	(570)
Legal reserve	-	-	-	(27)	-	(27)	-	(27)
Expenses incurred in shares placement	-	(102)	-	-	-	(102)	-	(102)
Effect of Companies (Amendment) Act 2005	7,387	(7,387)	-	-	-	-	-	-
Net profit for the period	-	-	-	-	1,850	1,850	184	2,034
Net exchange differences on translation of foreign entity's financial statements	-	-	(82)	-	-	(82)	-	(82)
Balance as at 30 June 2006	25,950	-	(2)	0	6,633	32,582	1,246	33,828

Company (30 June 2007)	Share capital S\$'000	Accumulated profits S\$'000	Total S\$'000
Balance as at 1 Jan 2007	50,759	1,884	52,643
Expenses incurred in shares placement	(164)		(164)
Net profit for the period	-	2,502	2,502
Dividend paid for the period	-	(1,321)	(1,321)
Balance as at 30 June 2007	50,595	3,065	53,660

Company (30 June 2006)	Share capital S\$'000	Share premium account S\$'000	Accumulated profits S\$'000	Total S\$'000
Balance as at 1 Jan 2006	8,528	7,489	57	16,074
Issuance of shares	10,035	-	-	10,035
Expenses incurred in shares placement	-	(102)	-	(102)
Effect of Companies (Amendment) Act 2005	7,387	(7,387)	-	-
Net profit for the year	-	-	1,848	1,848
Dividend paid for the year	-	-	-	-
Balance as at 30 June 2006	25,950	0	1,905	27,855

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.

Share Capital

	Number of shares	Share Capital S\$'000
As at 1 Jan 2007	264,224,630	50,759
Share issuance expenses		(164)
As at 30 June 2007	<u>264,224,630</u>	<u>50,595</u>

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 adopted in the most recently audited financial statements and had adopted the new and revised Financial Reporting Standards ("FRS") that are applicable to the Group and the Company from 1 January 2007. The adoption of these new and revised FRS has no material impact on the Group.

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 see Paragraph 4.

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	
	30 June 2007	30 June 2006
Earnings per share (EPS) in cents		
i) basic	2.66	0.7
ii) On a fully diluted basis	2.66	0.7

Basic earnings per share for the current and preceding years are calculated based on the weighted average number of shares of 264,220,030.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
 (b) immediately preceding financial year

	Group		Company	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
Net asset value per share (cents)	26.40	23.58	20.24	13.22

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 Profit and loss review

Revenue, Cost and Earnings

The Group collects scrap copper and recycles it into refined copper coils at its copper smelter in Port Klang. The copper smelter's first furnace was operational from March 2007 and the second furnace is expected to be ready for trial production in August 2007. With the second furnace, the smelter's total capacity of 60,000 metric tonnes will be available by November 2007. A copper refinery is currently under construction at Tuas and the first phase of production of refined copper products will take place progressively from early 2008. The full refinery capacity of 36,000 metric tonnes is expected to be available by 2009.

Due to a broadening of the earnings base, group revenue for the 6 months to 30 June 2007 increased 152% to \$204.8 million, a growth of \$123.6 million. The increase in revenue arose primarily from two sources: (a) a full 6-month consolidation of the recycling operations of Green World Holdings, and (b) partial contributions from TTM Industries Sdn Bhd (owner of the Malaysian smelter) and Tsing Tech (the Malaysian recycling operations). An amount of \$35.2 million in revenue was attributed to the consolidation of TTMI and Tsing Tech, which became subsidiaries of the Group in March 2007. An amount of \$139m was attributed to GreenWorld.

For the corresponding period in June 2006, the profit and loss statement reflected 6 months of contributions from the PCB testing & finishing services and only 1 month of GreenWorld's recycling operations on a consolidated basis (associate equity accounting in the first 5 months).

Other operating income for HY2007 comprises mainly of management fees from associated companies of S\$0.3m; profit from sales of equipment of S\$0.4m and exchange gain of S\$0.3m.

Administrative, selling and distribution expenses were higher as a result of the inclusion of new subsidiaries and the consolidation of the operations of TTMI and Tsing Tech. Selling and distribution expenses increased from S\$0.3m to S\$3.3m with the inclusion of GreenWorld (S\$2.4m). Administrative expenses increased from S\$3.1m to S\$6.6m with the inclusion of GreenWorld (S\$2.6m); TTMI (S\$0.4m) and Tsing Tech (S\$0.2m).

Finance expenses rose from \$1.5 million to \$2.4 million as additional bank borrowings were incurred to support the working capital requirements of recycling and smelting which in turn contributed to the increase in group revenue.

Due to a broadening of the Group's earnings base to include recycling and copper smelting, group profit after income tax rose 277% to \$7.7 million in 1H FY2007. The first furnace of the copper smelter was operational in March 2007. Following an initial period of trial production, the first furnace commenced production from March 2007 and contributed approximately \$2 million in profit after income tax to the Group in 1H FY2007.

Assets, liabilities and cashflows

Fixed assets for the 6 months to June 2007 increased from \$34.5m to \$48.9m (+42%) due to the purchase of equipment for the testing and finishing business and acquisition of the new factory in Malaysia (TTMI and Tsing Tech). In line with the increase in turnover, trade debtors and other receivables increased from \$69.7mm to \$76.3m (+19%). In building up an initial quantity of scrap copper to support the initial production of the smelting operation, advance payment for raw materials were made and inventory was increased from \$11.5m to \$91.1m as a result of more purchases in the month of May and June. Higher bank borrowings were incurred to finance the additional working capital during this initial period. With a continuous build-up of copper scrap collection from the recycling operations and the putting in place of longer term copper scrap supply contracts from overseas, a run-down of the inventory level can be expected.

Due to a net increase in inventories of S\$72.4m, net cash generated from operating activities was -S\$57.6m. Over the months of July to September, the management expect the inventory level to be lower, and target to have an inventory turnover of about 1 month by 30 September 2007. Together with the continuous prudent management of accounts receivables and taking into account working capital needs required for business expansion, management expects the net operating cash flow to improve significantly closer to neutral/positive position by 30 September 2007.

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

In the last announcement of results on 27 Feb 2007, the Group stated that it expects market conditions to remain positive and will continue to improve its performance. We are pleased to report that with respect to the net profit after tax, the Group had improved from \$2m (6 months to June 2006) to \$7.7m for 6 months to June 2007, an increase of 277%.

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 focus on growing its recycling and copper supply chain management business in 2H FY2007 and FY2008. In an effort to vertically integrate the recycling operation with smelting to improve the added value, the Group successfully completed the acquisition of 80% of TTMI, owner of the copper smelter, in March 2007.

The initial expansion of the Group's earnings base into recycling and smelting has boosted profits in 1H FY2007. In 2H FY2007, a steady full-time production from the first furnace of the copper smelter is expected. In addition, the second furnace will start trial production in August 2007. Production from both

furnaces will substantially increase the profit contribution for the copper smelter in 2H FY2007. In FY2008, both furnaces of the smelter are expected to make a full year contribution.

Another initiative to value add to the Group's copper supply chain management is the incorporation of Singapore Copper Technologies Pte Ltd (SCT). SCT is building a copper refinery in Tuas to spearhead group initiatives in refining and manufacturing. Construction of the refinery is progressing well and completion is expected in end 2007, with the first phase of production to take place progressively from early 2008. An initial partial profit contribution from the refinery is expected in FY2008.

In addition, the Group is also working with various research facilities to establish "SCT Materials Innovation Centre" to focus on the development of new applications for recycled and refined copper and other materials to further enhance its copper supply chain management capabilities.

Barring unforeseen circumstances, the Group expects its financial performance to improve in 2H FY2007.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Nil

(b) Corresponding period of immediately preceding financial year

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

Name of Dividend : Final
Dividend Type : Cash
Dividend rate : 0.7 cent per ordinary share
Tax rate : Tax Exempt 1-tier

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Not Applicable

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.

Not applicable

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable

15 A breakdown of sales as follows:-

Not applicable

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable

**BY ORDER OF THE BOARD
30 July 2007**

Statement by Directors
Pursuant to SGX Listing Rule 705(4)

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the 1st half year 2007 financial results to be false or misleading in any material respect.

On behalf of the Board

Terence Tea Yeok Kian
Director

Samuel Ang King Wee
Director