



# **ADVANCE SCT LIMITED**

(Registration No. 200404283C)

## **UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2015 ("3Q FY2015") AND NINE MONTHS ENDED 30 SEPTEMBER 2015 ("9M FY2015")**

### **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		
	Note	3Q FY2015	3Q FY2014	Inc/ (Dec)	9M FY2015	9M FY2014	Inc/ (Dec)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1	9,846	20,773	-52.6	34,913	54,843	-36.3
Cost of sales		(9,663)	(20,027)	-51.8	(34,149)	(52,677)	-35.2
<b>Gross profit</b>	<b>2</b>	<b>183</b>	<b>746</b>	<b>-75.5</b>	<b>764</b>	<b>2,166</b>	<b>-64.7</b>
Other operating (expenses)/income	3	(4,150)	2,594	n.m	(3,839)	6,558	n.m
Selling and distribution expenses	4	(129)	(172)	-25.0	(374)	(437)	-14.4
Administrative expenses	5	(1,646)	(3,335)	-50.6	(4,262)	(5,739)	-25.7
(Loss)/profit from operations		(5,742)	(167)	n.m	(7,711)	2,548	n.m
Finance costs	6	(261)	(551)	-52.6	(630)	(1,008)	-37.5
<b>(Loss)/profit before income tax from operations</b>		<b>(6,003)</b>	<b>(718)</b>	n.m	<b>(8,341)</b>	<b>1,540</b>	n.m
Income tax		-	-	-100	(3)	(72)	-95.8
<b>Total (loss)/profit after tax</b>		<b>(6,003)</b>	<b>(718)</b>	n.m	<b>(8,344)</b>	<b>1,468</b>	n.m
Attributable to:							
Equity holders of the Company		(4,579)	463	n.m	(6,450)	2,227	n.m
Non-controlling interests ("NCI")		(1,424)	(1,181)	20.6	(1,894)	(759)	150.0
		(6,003)	(718)	736.1	(8,344)	1,468	n.m

n.m = not meaningful

## Notes

1. Group turnover decreased by 52.6% and 36.3% to S\$9.8 million and S\$34.9 million for the third quarter ("3Q FY2015") and nine months ended 30 September 2015 ("9M FY2015") respectively. Revenue for 3Q FY2015 and 9M FY2015 consisted of copper ball sales and wastewater treatment fees only, while part of the revenue in 3Q FY2014 and 9M FY2014 were derived from the remnants of recycling business within the Group (the Group had ceased all remaining recycling business in the second half of FY2014).
2. Gross margin in 3Q FY2015 and 9M FY2015 remained low and challenging, as the copper ball factory in the People's Republic of China had remained under-utilised during this period. Gross margin will likely improve when the required working capital is found to put the second production line into operation.
3. While other operating incomes in 3Q FY2014 and 9M FY2014 were S\$2.6 million and S\$6.6 million respectively because of the Group's successful efforts to recover legacy debts as well as the disposal of non-core and loss-making subsidiaries, 3Q FY2015 and 9M FY2015 incurred other operating expense of (S\$4.2 million) and (S\$3.8 million) respectively. The operating expenses in 3Q FY2015 included an impairment of goodwill of S\$1.7 million for two subsidiaries in China due to their below-expectation performance. In addition, due to deteriorating economic prospect and depressed metal market conditions, resulting in recoverability issues on its receivables, the Taiwan subsidiary has made a provision of S\$2.18 million for doubtful receivables in 3Q FY2015.
4. The non-core and loss-making subsidiaries that were disposed of in FY2014 had helped to reduce selling and distribution expenses by 25% quarter-on-quarter ("qoq") and 14% period-on-period for 3Q FY2014 and 9M FY2015 respectively. For the same reason, administrative expenses had decreased in 3Q FY2015 and 9M FY2015; this is offset by administrative expenses incurred by the copper ball factory in China, as its first production line has gone into full production in 2015.
5. Finance costs continued to decrease in 3Q FY2015 and 9M FY2015 compared to 3Q FY2014 and 9M FY2014 as the Group had been able to repay part of the interest-bearing loans and more of its Scheme Creditors had opted to convert the Scheme Debts into equity during the second half of FY2014 and FY2015.

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

	Group		Group	
	3Q FY2015	3Q FY2014	9M FY2015	9M FY2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Continuing Operations</b>				
Finance cost	261	551	630	1,008
Depreciation of property, plant and equipment	65	220	194	670
Provision/(Write-back) of doubtful trade receivables, net	2,178	46	2,178	(2,324)
Net foreign exchange gain	(92)	(121)	(121)	(6)
Net (gain)/loss on disposal of property, plant and equipment	-	(206)	38	(1,094)
Gain on assets held for sale	-	-	-	(1,300)
Impairment of goodwill	1,714	-	1,714	-
Loss/(Gain) on disposal of subsidiaries	-	125	-	(1,708)

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

	Group			Group		
	3Q FY2015	3Q FY2014	Inc/(Dec)	9M FY2015	9M FY2014	Inc/(Dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(Loss)/Profit for the period	(6,003)	(718)		(8,344)	1,468	
Other comprehensive income :						
Net exchange differences on translation of foreign entities' financial statements	164	331	-50.5	455	221	105.9
<b>Total comprehensive (loss)/profit for the period</b>	<b>(5,839)</b>	<b>(387)</b>		<b>(7,889)</b>	<b>1,689</b>	
Total comprehensive (loss)/profit attributable to :						
Equity holders of the Company	(4,477)	865	n.m	(6,121)	2,538	n.m
Non-controlling interests	(1,362)	(1,252)	-8.8	(1,768)	(849)	108.2
	<b>(5,839)</b>	<b>(387)</b>		<b>(7,889)</b>	<b>1,689</b>	

**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		Company	
	30 Sep 2015	31 Dec 2014	30 Sep 2015	31 Dec 2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	3,157	3,365	-	-
Intangible assets	-	1,714	-	-
Investment in subsidiaries	1 -	-	1,474	1,474
Financial receivables	2 7,695	7,359	-	-
	10,852	12,438	1,474	1,474
<b>Current assets</b>				
Inventories	3 390	3,619	-	-
Prepayments	336	811	-	9
Trade and other receivables	3 3,772	13,272	9,120	8,868
Financial receivables	132	126	-	-
Cash and cash equivalents	3 1,135	9,735	61	388
<b>Current assets</b>	5,765	27,563	9,181	9,256
Assets held for sale	4 14,275	-	-	-
<b>Total assets</b>	30,892	40,001	10,655	10,739
<b>Current liabilities</b>				
Trade and other payables	3 8,133	9,859	4,863	3,169
Interest-bearing liabilities	3 4,271	16,212	1,687	1,687
Liabilities directly associated in assets classified as held for sale	4 12,467	-	-	-
	24,871	26,071	6,550	4,856
<b>Non-current liabilities</b>				
Interest-bearing liabilities	2,715	4,054	2,605	3,889
Deferred tax	456	436	-	-
	3,171	4,490	2,605	3,889
<b>Total liabilities</b>	28,042	30,561	9,155	8,745
<b>Net assets</b>	2,850	9,440	1,500	1,994

	<b>Group</b>		<b>Company</b>	
	30 Sep 2015	31 Dec 2014	30 Sep 2015	31 Dec 2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Equity</b>				
Share capital	196,454	195,155	196,454	195,155
Capital reserve	(146)	(146)	-	-
Share application monies	1,127	1,127	1,127	1,127
Share options reserve	815	815	815	815
Forex translation reserve	503	174	-	-
Accumulated losses	(196,658)	(190,208)	(196,896)	(195,103)
Total profit attributable to equity holders of the Company	2,095	6,917	1,500	1,994
Non-controlling interests	755	2,523	-	-
Total Equity	<b>2,850</b>	<b>9,440</b>	<b>1,500</b>	<b>1,994</b>

## **Notes**

1. The Group had intended to execute equity to debt conversion in its Taiwan subsidiary Western Copper Group ("WCG"). However, because of its inadequate capital reserve and poor financials as well as the recent legal proceedings by creditors, the equity to debt conversion was not approved by the local authority. The investment in the Taiwan subsidiary remained as share capital as at 30 September 2015.
2. The Group's wastewater treatment plant is classified as 'financial receivables' under non-current assets. This approach was based on a 30-year Build Operate and Transfer ("BOT") contract with the municipal government in China.
3. The 'Inventory, trade and other receivables, cash and cash equivalent' pertaining to the Taiwan subsidiary WCG have been classified as 'Assets held for sale' and 'Liabilities held for sales' respectively as at 30 September 2015. As part of the Group's restructuring strategy it is currently sourcing for buyers for the Taiwan subsidiary. As a result, 'Inventory, trade and other receivables, cash and cash equivalent, payables and interest bearing loans' have decreased significantly compared to 31 December 2014, as the balances pertaining to the Taiwan subsidiary have been excluded.
4. The Group had terminated the exclusive arrangement with WCG in the last quarter and recently announced its intention to dispose of the Taiwan subsidiary. As a result, all assets and liabilities pertaining to WCG have been reclassified as "Assets and Liabilities Held for Sale" as at 30 September 2015.

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

**Amount repayable within one year**

	As at 30 Sep 2015		As at 31 Dec 2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<b>Liabilities</b>				
Interest-bearing liabilities	51	2,533	12,525	2,000
Scheme Debt (c)	1,687	-	1,687	-
<b>Total</b>	<b>1,738</b>	<b>2,533</b>	<b>14,212</b>	<b>2,000</b>

**Amount repayable after one year**

	As at 30 Sep 2015		As at 31 Dec 2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Interest-bearing liabilities	111	-	165	-
Scheme Debt (a)	1	-	1	-
Scheme Debt (c)	2,603	-	3,888	-
<b>Total</b>	<b>2,715</b>	<b>-</b>	<b>4,054</b>	<b>-</b>

The Scheme Debts (a) and (c), which are interest-bearing, are defined below. These debts have been reduced further in 9mthsFY2015 as more Scheme Creditors chose to convert the debts into equity.

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).

Debts under (a) and (c) above have been reclassified under non-current liabilities and debts under (b) have been reclassified as share application monies in the balance sheets as at 31 December 2012.

*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.*

**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	
	3Q FY2015 S\$'000	3Q FY2014 S\$'000	9M FY2015 S\$'000	9M FY2014 S\$'000
<b>Cash flows from operating activities</b>				
(Loss)/Profit before tax	(6,003)	(718)	(8,341)	1,540
Adjustments for :				
Depreciation for property, plant and equipment	65	220	194	670
Net (gain)/loss on disposal of property, plant and equipment	-	(842)	38	(1,094)
Provision/(Write-back) of doubtful trade receivables, net	2,178	46	2,178	(2,324)
Finance cost	261	551	630	1,008
Interest income	(1)	(6)	(15)	(6)
Loss/(gain) on disposal of subsidiaries	-	125	-	(1,708)
Gain on disposal of assets held for sale	-	-	-	(1,300)
Impairment of goodwill	1,714	-	1,714	-
<b>Operating cash flow before working capital changes</b>	<b>(1,786)</b>	<b>(624)</b>	<b>(3,602)</b>	<b>(3,214)</b>
Working capital changes				
Inventories	335	(855)	2,322	130
Trade and other receivables	2,350	(3,726)	(1,551)	(10,350)
Trade and other payables	364	(1,741)	(29)	(3,680)
Cash generated from/(used in) operations	1,263	(6,946)	(2,860)	(17,114)
Interest paid	(261)	(551)	(630)	(1,008)
Income tax refund/(paid)	2	(16)	(22)	(72)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,004</b>	<b>(7,513)</b>	<b>(3,512)</b>	<b>(18,194)</b>
<b>Cash flows from investing activities</b>				
Net cash inflows from disposal of subsidiaries	-	-	-	233
Purchase of property, plant and equipment	-	-	(105)	-
Proceeds from disposal of assets held for sale	-	2,095	-	2,095
Net cash flows from acquisition of subsidiaries	-	556	-	556
Proceeds from disposal of property, plant and equipment	-	1,475	175	2,700
<b>Net cash generated from investing activities</b>	<b>-</b>	<b>4,126</b>	<b>70</b>	<b>5,584</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of shares	-	3,231	-	7,029
Cash release from restricted in use	575	-	575	-
Share issue expense	-	(54)	-	(211)
Additional shareholding of investment in subsidiaries	-	-	-	(80)
Repayment of finance lease creditors, net (Repayment of)/Proceeds from bank borrowings, net	(142)	-	(259)	(226)
	(1,736)	1,502	(2,780)	341
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,303)</b>	<b>4,679</b>	<b>(2,464)</b>	<b>6,853</b>

**CASHFLOW STATEMENT**

	Group		Group	
	3Q FY2015	3Q FY2014	9M FY2015	9M FY2014
	S\$'000	S\$'000	S\$'000	S\$'000
Net change in cash and bank balances	(299)	1,292	(5,906)	(5,757)
Cash and bank balances at beginning of financial period	1,972	4,685	7,579	11,734
Cash and bank balances at end of financial period	1,673	5,977	1,673	5,977

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

	Group	
	30 Sep 2015	30 Sep 2014
	S\$'000	S\$'000
Cash and cash equivalents	3,254	7,582
Cash at bank and fixed deposits pledged	(1,581)	(1,605)
	<u>1,673</u>	<u>5,977</u>
Cash and cash equivalents	1,135	7,582
Cash and cash equivalents in disposal group as held for sale	2,119	-
Cash and cash equivalents, as above	<u>3,254</u>	<u>7,582</u>

**Notes**

The cash outflow of S\$3.5 million from operating activities for 9M FY2015 is due mainly to losses incurred. Decrease in net cash outflow is due to a significant reduction of balance in trade and other receivables which is mainly from WCG.

No significant investing activities were carried out by the group for both 3Q FY2015 and 9M FY2015.

The cash outflow of S\$1.8 million and S\$3.0 million from financing activities for 3Q FY2015 and 9M FY2015 respectively is mainly due to repayment of short-term borrowing by WCG as well as the result of Scheme Creditors converting Scheme debts into equity in FY2015, offset by additional borrowing in 2Q FY2015 mainly by Everglory Cooling Systems Pte. Ltd. ("ECS") for its China operations

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								
GROUP (30 Sep 2015)	Share capital	Capital reserve	Share application monies	Share options reserve	Foreign currency translation	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2015	196,454	(146)	1,127	815	401	(192,079)	6,572	2,117	8,689
Net loss for the financial period	-	-	-	-	-	(4,579)	(4,579)	(1,424)	(6,003)
Other comprehensive income :									
Net exchange differences on translation of foreign entities' financial statements	-	-	-	-	102	-	102	62	164
Total comprehensive income for the period	-	-	-	-	102	(4,579)	(4,477)	(1,362)	(5,839)
<b>Balance as at 30 Sep 2015</b>	<b>196,454</b>	<b>(146)</b>	<b>1,127</b>	<b>815</b>	<b>503</b>	<b>(196,658)</b>	<b>2,095</b>	<b>755</b>	<b>2,850</b>

	Attributable to owners of the parent									
GROUP (30 Sep 2014)	Share capital	Capital reserve	Share application monies	Share options reserve	Foreign currency translation	Revaluation reserve	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2014	190,624	(146)	2,472	815	(66)	436	(190,879)	3,256	3,750	7,006
Net profit for the financial period	-	-	-	-	-	-	463	463	(1,181)	(718)
Other comprehensive income :										
Net exchange differences on translation of foreign entities' financial statements	-	-	-	-	402	-	-	402	(71)	331
Total comprehensive income for the period	-	-	-	-	402	-	463	865	(1,252)	(387)
Issuance of shares upon conversion of Scheme Convertible Notes	3,231	-	-	-	-	-	-	3,231	-	3,231
Transfer to retained earning	-	-	-	-	-	(436)	436	-	-	-
Share issue expenses	(54)	-	-	-	-	-	-	(54)	-	(54)
<b>Balance as at 30 Sep 2014</b>	<b>193,801</b>	<b>(146)</b>	<b>2,472</b>	<b>815</b>	<b>336</b>	<b>-</b>	<b>(189,980)</b>	<b>7,298</b>	<b>2,498</b>	<b>9,796</b>

	Attributable to owners of the parent								
<b>GROUP (30 Sep 2015)</b>	<b>Share capital</b>	<b>Capital reserve</b>	<b>Share application monies</b>	<b>Share options reserve</b>	<b>Foreign currency translation</b>	<b>Accumulated losses</b>	<b>Total attributable to equity holders of the Company</b>	<b>Non-controlling interests</b>	<b>Equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Balance as at 1 Jan 2015	195,155	(146)	1,127	815	174	(190,208)	6,917	2,523	9,440
Net loss for the financial period	-	-	-	-	-	(6,450)	(6,450)	(1,894)	(8,344)
Other comprehensive income :									
Net exchange differences on translation of foreign entities' financial statements	-	-	-	-	329	-	329	126	455
Total comprehensive income for the period	-	-	-	-	329	(6,450)	(6,121)	(1,768)	(7,889)
Issuance of shares for debt settlements	1,299	-	-	-	-	-	1,299	-	1,299
<b>Balance as at 30 Sep 2015</b>	<b>196,454</b>	<b>(146)</b>	<b>1,127</b>	<b>815</b>	<b>503</b>	<b>(196,658)</b>	<b>2,095</b>	<b>755</b>	<b>2,850</b>

	Attributable to owners of the parent									
GROUP (30 Sep 2014)	Share capital	Capital reserve	Share application monies	Share options reserve	Foreign currency translation	Revaluation reserve	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2014	178,147	(361)	9,510	815	25	1,245	(193,452)	(4,071)	3,580	(491)
Net profit for the financial period	-	-	-	-	-	-	2,227	2,227	(759)	1,468
Other comprehensive income :										
Net exchange differences on translation of foreign entities' financial statements	-	-	-	-	311	-	-	311	(90)	221
Total comprehensive income for the period	-	-	-	-	311	-	2,227	2,538	(849)	1,689
Acquisition of additional interest in subsidiary	-	215	-	-	-	-	-	215	(295)	(80)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	62	62
Share application money	-	-	(3,671)	-	-	-	-	(3,671)	-	(3,671)
Issuance of shares upon conversion of Scheme Convertible Notes	8,836	-	(3,367)	-	-	-	-	5,469	-	5,469
Issuance of new shares	7,029	-	-	-	-	-	-	7,029	-	7,029
Transfer to retained earning	-	-	-	-	-	(1,245)	1,245	-	-	-
Share issue expenses	(211)	-	-	-	-	-	-	(211)	-	(211)
<b>Balance as at 30 Sep 2014</b>	<b>193,801</b>	<b>(146)</b>	<b>2,472</b>	<b>815</b>	<b>336</b>	<b>-</b>	<b>(189,980)</b>	<b>7,298</b>	<b>2,498</b>	<b>9,796</b>

<b>Company (30 Sep 2015)</b>	<b>Share capital</b>	<b>Share application monies</b>	<b>Share options reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Balance as at 1 July 2015	196,454	1,127	815	(195,694)	2,702
Net loss for the financial period	-	-	-	(1,202)	(1,202)
<b>Balance as at 30 Sep 2015</b>	<b>196,454</b>	<b>1,127</b>	<b>815</b>	<b>(196,896)</b>	<b>1,500</b>

<b>Company (30 Sep 2014)</b>	<b>Share capital</b>	<b>Share application monies</b>	<b>Share options reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Balance as at 1 July 2014	190,624	2,472	815	(195,239)	(1,328)
Net profit for the financial period	-	-	-	579	579
Issuance of shares upon conversion of Scheme Convertible Notes	3,231	-	-	-	3,231
Share issue expenses	(54)	-	-	-	(54)
<b>Balance as at 30 Sep 2014</b>	<b>193,801</b>	<b>2,472</b>	<b>815</b>	<b>(194,660)</b>	<b>2,428</b>

<b>Company (30 Sep 2015)</b>	<b>Share capital</b>	<b>Share application monies</b>	<b>Share options reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Balance as at 1 Jan 2015	195,155	1,127	815	(195,103)	1,994
Net loss for the financial period	-	-	-	(1,793)	(1,793)
Issuance of shares upon conversion of Scheme Convertible Notes	1,299	-	-	-	1,299
<b>Balance as at 30 Sep 2015</b>	<b>196,454</b>	<b>1,127</b>	<b>815</b>	<b>(196,896)</b>	<b>1,500</b>

<b>Company (30 Sep 2014)</b>	<b>Share capital</b>	<b>Share application monies</b>	<b>Share options reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Balance as at 1 Jan 2014	178,147	9,510	815	(195,613)	(7,141)
Net profit for the financial period	-	-	-	953	953
Share application money	-	(3,671)	-	-	(3,671)
Issuance of shares upon conversion of Scheme Convertible Notes	8,836	(3,367)	-	-	5,469
Issuance of new shares	7,029	-	-	-	7,029
Share issue expenses	(211)	-	-	-	(211)
<b>Balance as at 30 Sep 2014</b>	<b>193,801</b>	<b>2,472</b>	<b>815</b>	<b>(194,660)</b>	<b>2,428</b>

**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 '000	S\$ '000
<u>Ordinary shares issued</u>		
As at 1 January 2015	13,738,296	195,155
Issuance of 930,681,550 ordinary shares for debt settlement	930,682	1,117
Issuance of 260,237,143 ordinary shares for debt settlement	260,237	182
As at 30 September 2015	14,929,215	196,454

Assuming all the CLAs (Note 1(b)(ii) (b)) are fully converted based on their conversion price, and the outstanding Scheme Convertible Notes were converted on 30 September 2015, the number of new ordinary shares to be issued would be 1,253,125,689 representing a 8.4% increase over the total number of issued shares of the Company as at 30 September 2015.

Assuming all the CLAs (Note 1(b)(ii) (b)) are fully converted based on their conversion price, and the outstanding Scheme Convertible Notes were converted on 30 September 2014, the number of new ordinary shares to be issued would be 3,116,527,778 representing a 25.8% increase over the total number of issued shares of the Company as at 30 September 2014.

As at 30 September 2014 and 30 September 2015, there were no outstanding warrants.

#### **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 2014, as well as all applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2015. The adoption of those new and revised FRS has no material effect on the 9 months results ended 30 September 2015.

#### **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	
	3Q FY2015	3Q FY2014	9mths FY2015	9mths FY2014
	Cents	Cents	Cents	Cents
<b>Continuing Operations</b>				
(Loss)/Earnings per share (EPS) in cents				
i) Basic	(0.03)	0.01	(0.04)	0.03
ii) On a fully diluted basis	(0.03)	0.01	(0.04)	0.02

Basic (loss)/earnings per share for the 3Q FY2015 and 3Q FY2014 are calculated based on the weighted average number of shares of 14,929,214,427 and 8,356,302,985 (excluding treasury shares) respectively.

Basic (loss)/earnings per share for the 9M FY2015 and 9M FY2014 are calculated based on the weighted average number of shares of 14,864,474,108 and 7,327,741,628 (excluding treasury shares) respectively.

**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 Sep 2015	31 Dec 2014	30 Sep 2015	31 Dec 2014
Net asset value per share (cents)	0.01	0.07	0.01	0.01

**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

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's copper ball business continued to suffer in the third quarter as global economic problems continued to manifest into the commodities market. Copper price fell to a seven-year low, causing short-term trading losses and reduced margin. As no additional funding was available, there was insufficient working capital to start the second production line resulting in the manufacturing facilities being unable to achieve a breakeven point. To turn around, it has to urgently raise cash to boost production capacity or find other ways to reduce the burden of the manufacturing facilities. The cessation of the exclusive distributorship of the Taiwan subsidiary is a part of ongoing organisational restructuring of the copper ball division to improve efficiency. The Taiwan subsidiary is currently held for sale, and is also currently facing financing and liquidity issues in their operations.

**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.**

Not applicable.

**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 financial results for the 9 months ended 30 September 2015 of the Group and the Company to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Simon Eng  
Chief Executive Officer  
13 November 2015