ADVANCE SCT LIMITED
(Company Registration Number: 200404283C)

A. THE PROPOSED CAPITALISATION OF THE TOTAL DEBT OWING BY THE COMPANY TO THE SUBSCRIBERS INTO 16,423,433,660 CAPITALISATION SHARES, At A CAPITALISATION PRICE of S$0.0005 PER CAPITALISATION SHARE, AND THE ALLOTMENT AND ISSUANCE OF UP TO 16,423,433,660 CAPITALISATION SHARES TO THE SUBSCRIBERS (THE "DEBT CAPITALISATION EXERCISE");

B. THE PROPOSED CAPITALISATION OF THE FORT CANNING DEBT OWNING BY THE COMPANY TO FORT CANNING INTO 8,950,910,000 CAPITALISATION SHARES, AT A CAPITALISATION PRICE OF S$0.0005 PER CAPITALISATION SHARE, AND THE ALLOTMENT AND ISSUANCE OF UP TO 8,950,910,000 CAPITALISATION SHARES TO FORT CANNING IN ACCORDANCE WITH RULE 812(2) OF THE LISTING MANUAL (THE "FORT CANNING DEBT CAPITALISATION"); AND

C. THE PROPOSED ISSUANCE OF 3 PER CENT. REDEEMABLE CONVERTIBLE BONDS DUE 2021 BY THE COMPANY, HAVING AN AGGREGATE PRINCIPAL VALUE OF S$2,000,000 TO BAYCREST INTERNATIONAL INC OR ITS NOMINEES AND THE PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 4,000,000,000 CONVERSION SHARES PURSUANT TO THE CONVERSION OF THE REDEEMABLE CONVERTIBLE BONDS (THE "RCB ISSUANCE"),

(COLLECTIVELY THE "PROPOSED TRANSACTIONS").

A. THE DEBT CAPITALISATION EXERCISE AND THE FORT CANNING DEBT CAPITALISATION

1. Background and rationale for the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation

The board of directors ("**Board**") of Advance SCT Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the following previous announcements:

(a) the announcement dated 9 July 2017, where the Company announced, that the debt it owes to Qingyuan Shengli Copper Materials Co., Ltd. ("**QSCM**") arising from the termination of a proposed partnership in the People's Republic of China has been assigned, on 7 July 2017, by QSCM to Mr. Zhang Baoan ("**Mr. Zhang**"), an independent third party Chinese national who has pledged his support to the Company for the proposed Debt Capitalisation Exercise and Fort Canning Debt Capitalisation (the "**9 July 2017 Announcement**");

(b) the announcement dated 10 July 2017, where the Company announced that Saffron Elite Limited ("**Saffron Elite**"), a creditor of the Company, agreed to capitalise the debts owing by the Company into new ordinary shares of the Company ("**Shares**"), as part of the Company's Debt Capitalisation Exercise which the Company is proposing to implement; and

(c) the announcement dated 11 July 2017, where the Company announced the submission of a resumption proposal, to the SGX-ST. The resumption proposal contains the Company's plans to turn around its business and solvency, with a view to resuming trading in the Company's Shares.

As at the date of this announcement, the Company owes Mr. Zhang RMB 42,940,767 (equivalent to S$8,695,455 at the exchange rate of 1 RMB to S$4.9383) ("**ZBA Debt**"). Further to the 9 July 2017 Announcement, Mr. Zhang has entered into a separate agreement (to which the Company was not a party) with Fort Canning to assign the benefits of S$2,975,455 of the ZBA Debt to Fort Canning (Asia) Pte. Ltd. ("**Fort Canning**"). Mr. Zhang retains the remaining ZBA Debt amount of S$5,720,000.

Further and separate from the above, as the Latest Practicable Date, the Company owes (a) Fort Canning S$1,500,000.00; (b) Saffron Elite S$1,240,525.55; (c) Platon Resources Pte. Ltd. ("**Platon Resources**") S$1,088,000.00; (d) Toppan Vintage Pte. Ltd. ("**Toppan**") S$47,110.28; (e) KordaMentha Pte. Ltd. S$24,075.00; (f) Robert Wang & Woo LLP ("**Robert Wang & Woo**") S$12,606.00; and (g) Past Directors (as defined below) S$79,400.00.

As part of the Company's plans to manage and reduce the debt burden of the Group, eliminate the need for any cash repayment in view of the current financial and cash position of the Group, and alleviate any pressures faced by the Group on its cash flow so as to turn around the solvency and profitability of the Group, the Company is proposing to undertake:

1. the Debt Capitalisation Exercise to capitalise the following debt amounts owed by the Company to the following subscribers ("**Subscribers**") (each a "**Debt Owing**" and together, the "**Total Debt Owing**") in the following table below, into Capitalisation Shares at the Capitalisation Price; and

Debt Capitalisation Exercise	**Debt Owing to be capitalised (S$)**	**Number of Capitalisation Shares to be issued**
Saffron Elite Limited	1,240,525.55	2,481,051,100
Platon Resources Pte. Ltd.	1,088,000.00	2,176,000,000
Toppan Vintage Pte. Ltd.	47,110.28	94,220,560
KordaMentha Pte. Ltd.	24,075.00	48,150,000
Robert Wang & Woo LLP	12,606.00	25,212,000
Past Directors	79,400.00	158,800,000
Mr. Zhang Baoan	5,720,000.00	11,440,000,000
TOTAL	**8,211,716.83**	**16,423,433,660**

2. the Fort Canning Debt Capitalisation to capitalise the following debt owned by the Company to Fort Canning (the "**Fort Canning Debt**") as set out in the table below, into new Shares ("**Capitalisation Shares**") at a capitalisation price of S$0.0005 ("**Capitalisation Price**").

Fort Canning Debt Capitalisation	Fort Canning Debt to be capitalised (S$)	Number of Capitalisation Shares to be issued
Fort Canning (Asia) Pte. Ltd.	4,475,455.00	8,950,910,000
TOTAL	**4,475,455.00**	**8,950,910,000**

In connection with the above, the Company has entered into a debt capitalisation set-off and settlement agreement dated 18 December 2017 with the Subscribers and Fort Canning (the "**Debt Capitalisation Set-off and Settlement Agreement**"), pursuant to which parties agreed to the capitalisation of the Total Debt Owing and the Fort Canning Debt into Capitalisation Shares at the Capitalisation Price and the allotment and issuance of up to 25,374,343,660 Capitalisation Shares to the Subscribers and Fort Canning as full and final settlement for the respective Debt Owing by the Company to each Subscriber and as full and final settlement for the Fort Canning Debt owning by the Company to Fort Canning, on the terms and subject to the conditions of the Debt Capitalisation Set-off and Settlement Agreement.

The salient terms of the Debt Capitalisation Set-off and Settlement Agreement are set out below in paragraph 2 of this announcement.

2. Salient Terms of the Debt Capitalisation Set-off and Settlement Agreement

Under the terms of the Debt Capitalisation Set-off and Settlement Agreement, the Company, the Subscribers and Fort Canning have agreed to capitalise the Total Debt Owing and the Fort Canning Debt, respectively, into Capitalisation Shares at the Capitalisation Price and the Company has agreed, on completion date, to issue and allot up to 25,374,343,660 Capitalisation Shares in one (1) tranche to the Subscribers and Fort Canning, in the proportions as stated in the third columns of the tables in paragraph 1 above

For the avoidance of doubt, there shall be no cash subscription by each of the Subscribers and Fort Canning for the Capitalisation Shares. The aggregate of the Capitalisation Price payable by each of the Subscribers and Fort Canning to the Company for their respective Capitalisation Shares shall be fully set-off and settled against each of the respective Debt Owing by the Company to the respective Subscribers and fully set-off and settled against the Fort Canning Debt owing by the Company to Fort Canning.

Upon the allotment and issuance of the Capitalisation Shares, each of the Subscribers acknowledges the full repayment of the respective Debt Owing by the Company and Fort Canning acknowledges the full repayment of the Fort Canning Debt by the Company, and each of the Subscribers and Fort Canning undertake that they shall have no right or claim whatsoever against the Group in respect of the respective Debt Owing and the Fort Canning Debt, as the case may be.

The Subscribers and Fort Canning have also provided a confirmation to the Company that the allotment and issuance of the Capitalisation Shares by the Company to them will not trigger, on the part of each of the Subscribers, Fort Canning or any of their respective concert parties, any obligation to make a mandatory general offer for the Company, under Rule 14 of the Singapore Code on Take-overs and Mergers ("**Code**").

3. Capitalisation Price

The Capitalisation Price of S$0.0005 represents a 50% discount to the Company's last traded VWAP of S$0.001 on 29 October 2015, being the last market day with trades prior to the suspension of the trading of the Shares.

The Capitalisation Price was agreed between the parties on a willing-buyer and willing-seller basis taking into consideration the current Share price of the Company, the present financial circumstances of the Company, and the net asset value of the Company after the Debt Capitalisation.

As the Capitalisation Price is more than a 10% discount to the VWAP of the shares, the Company will be seeking the approval of Shareholders at an extraordinary general meeting of the Company ("**EGM**") to be convened, for, *inter alia*, the allotment and issuance of the Capitalisation Shares pursuant to the Debt Capitalisation Exercise, in compliance with Rule 811(3) of the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

4. Capitalisation Shares

The Capitalisation Shares shall, when issued and allotted, be duly authorised, validly issued and credited as fully paid-up, be free from any and all Encumbrance (as defined below), be fully transferable and shall rank *pari passu* in all respects with the existing Shares, save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the Record Date (as defined below) of which falls on or prior to the date of the allotment and issuance of the Capitalisation Shares. "**Encumbrance**" *means any mortgage, charge, lien, pledge, option, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or any other security interest of any kind, including a retention of title arrangement,* and "**Record Date**" means t*he date fixed by the Company for the purposes of determining entitlements to dividends, rights, allotment or other distribution to holders of Shares.*

As at the date of this announcement, the Company has approximately 14,942,564,101 Shares is issue ("**Existing Share Capital**"), and assuming that 25,374,343,660 Capitalisation Shares are issued and allotted for the full and final satisfaction of the Total Debt Owing and the Fort Canning Debt, the Capitalisation Shares will represent, on completion, approximately 169.81% of the Existing Share Capital and approximately 62.94% of the enlarged Share capital post-Debt Capitalisation Exercise and post-Fort Canning Debt Capitalisation ("**Enlarged Share Capital Post Debt Capitalisation**").

5. Conditions Precedent

Completion of the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation is conditional upon the following conditions precedent (the "**Conditions**") being fulfilled (or waived) on or before the Completion Date:

(a) <u>Regulatory Approvals</u>

All necessary consents, approvals and waivers from all relevant government bodies, stock exchange and other regulatory authority for or in connection with the Debt Capitalisation Set-off and Settlement Agreement and all other transactions in connection therewith and incidental thereto, having been obtained by the parties, including without limitation:

(i) the approval-in principle from the SGX-ST in respect of the listing of and quotation for the Capitalisation Shares on the Main Board of the SGX-ST having been obtained (and such approval not having been withdrawn or revoked on or prior to Completion (as defined below)),

and if such consents, approvals or waivers are granted or obtained subject to any conditions, such conditions being reasonably acceptable to the parties, and if any conditions are required to be satisfied by Completion, such conditions being so satisfied; and

(ii) the allotment and issuance of the Capitalisation Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of this Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the parties.

(b) Shareholders' Approvals

The specific approval of the Shareholders at the EGM having been obtained for the following:

(i) the Debt Capitalisation Exercise and the allotment and issuance of the Capitalisation Shares to the Subscribers;

(ii) the Fort Canning Debt Capitalisation and the issuance of Capitalisation Shares to Fort Canning, in accordance with Rule 812(2) of the Listing Manual;

(iii) the Transfer of Controlling Interest in the Company to Fort Canning and to Mr. Zhang under Rule 803 of the Listing Manual following the completion of the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation; and

(iv) any additional items as may be agreed in writing between the parties or as may be required under applicable laws.

(c) Warranties remaining true and correct

There has been no occurrence of any event or discovery of any fact rendering any of the warranties in the Debt Capitalisation Set-off and Settlement Agreement untrue or incorrect in any material respect as at the Completion Date as if they had been given again on the Completion Date.

If (i) any of the Conditions stated above are not satisfied or waived by the parties by 3 March 2018 (or such other date as may be agreed in writing by the parties), the Debt Capitalisation Set-off and Settlement Agreement shall terminate and the provisions thereunder shall cease and be of no further effect (save for certain clauses as specified in the Debt Capitalisation Set-off and Settlement Agreement), and no party shall have any claim against any other parties for any costs, damages, losses or compensation, other than in respect of any antecedent breach of the Debt Capitalisation Set-off and Settlement Agreement. In the event of termination of the Debt Capitalisation Set-off and Settlement Agreement, the Total Debt Owing and the Fort Canning Debt will continue to remain a debt owed by the Company to the Subscribers and Fort Canning respectively.

6. Completion of the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation

Completion of the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation ("**Completion**" and the date of such Completion, the "**Completion Date**") shall take place at such date and place as may be decided by the Company, which shall in any event be no later than 10 Business Days (as defined below) after the Conditions have been satisfied or waived by the Company and/or the Subscribers and Fort Canning. "**Business Day**" *means a day (other than a Saturday, a Sunday or a gazetted public holiday in Singapore) on which commercial banks are open for business in Singapore.*

7. Information on the Subscribers and Fort Canning

The information in this section relating to the Subscribers and Fort Canning is based on publicly available information or the information provided and/or representations made by the Subscribers and Fort Canning to the Company. The Directors and the SGX-ST have not conducted an independent review or verification of the accuracy of the statements and information below.

As at the date of this announcement, the Subscribers and Fort Canning are all creditors of the Company.

Fort Canning (Asia) Pte. Ltd.

Fort Canning is a company incorporated in Singapore on 4 December 2003 and is involved in the principal business activity of investment holding. Fort Canning is presently a Substantial Shareholder of the Company, holding 9.02% of the Existing Share Capital. The two (2) Shareholders of Fort Canning are the Company's chairman of the Board, Mr. Simon Eng and his spouse Ms. Hau Chan Yen, who each owns 50% of Fort Canning.

As at the date of this announcement, the Company owes Fort Canning S$4,349,455.00 in aggregate, due and payable on demand. The Company's debt of S$1,500,000 to Fort Canning arose from a short-term loan given by Fort Canning as announced on 16 August 2017 and the debt of S$2,975,455.00 arose from the assignment of the ZBA Debt by Mr. Zhang to Fort Canning.

Saffron Elite Limited

Saffron Elite is a company incorporated in the British Virgin Islands on 8 July 2013 and is involved in the principal business activity of investment holding. The sole shareholder of Saffron Elite is Mr. Lim Liang Meng, who is also a Shareholder of the Company holding presently 2.24% of the Existing Share Capital of the Company. As at the date of this announcement, the Company owes Saffron Elite S$1,240,525.55, which arose from a debt owed by to Saffron, as one of the sole remaining creditor, under the 2011 Scheme of Arrangement.

Platon Resources Pte. Ltd.

Platon Resources is a company incorporated in Singapore on 14 July 2003 and is involved in the principal business activity of general trading. The sole shareholder of Platon Resources is Mr. Tan Tian Hong Jeffrey, who presently holds a total of 4.90% (direct and deemed) of the Existing Share Capital of the Company. As at the date of this announcement, the Company owes Platon Resources S$1,088,000.00, which arose from working capital loan extended to the Company's subsidiary, Asiapac Recycling Pte. Ltd.

Toppan Vintage Pte. Ltd.

Toppan Vintage Pte. Ltd., is the Singapore arm of Toppan Vintage, the global financial printing arm of Toppan Leefung. The company has an over 26-year history of providing security and confidential printing to customers in Singapore. It does not hold any shares of the Company. As at the date of this announcement, the Company owes Toppan Vintage S$47,110.28, which arose from the printing services extended to print the Company's 2016 and 2017 annual reports.

KordaMentha Pte. Ltd.

KordaMentha Pte. Ltd., is an Asia-Pacific company with a team of advisers specialising in forensic, real estate, corporate advisory and restructuring. The company was established in 2002 and provides a range of commercial advisory services to both the private and public sectors. As at the date of this announcement, the Company owes

KordaMentha Pte. Ltd. S$24,075.00, which arose from the 2011 Scheme of Arrangement.

Robert Wang & Woo LLP

Robert Wang & Woo, is a medium-sized law firm established in 1986. They focus on providing business-oriented solutions and practical legal advice across a wide spectrum of specific industries and an extensive working knowledge of local laws and regulations. As at the date of this announcement, the Company owes Robert Wang & Woo S$12,606.00, which arose from providing company secretariat services from 2016 to 2017.

Past Directors

As at the date of this announcement, the Company owes Mr. Hue Kuan Yew Attlee, Mr. Chay Yiowmin, Mr. Choo Chee Kong Peter, Mr. Song Tang Yih, Mr. Leong Kei Wei Mark, Mr. Ng Siew Hoon Linus and Mr. Loo Cheng Guan (collectively the "**Past Directors**") their directors' fees of an aggregate amount of S$79,400.00 as follows:

Past Directors	2015/2016	2016/2017
Mr. Hue Kuan Yew Attlee	S$12,916.00	-
Mr. Chay Yiowmin	S$13,333,00	-
Mr. Choo Chee Kong Peter	S$5,000.00	-
Mr. Song Tang Yih	S$4,359.00	-
Mr. Leong Kei Wei Mark	-	S$10,125.00
Mr. Ng Siew Hoon Linus	-	S$25,000,00
Mr. Loo Cheng Guan	-	S$8,667.00

Mr. Zhang

As mentioned above, Mr. Zhang is an independent third party Chinese national who was assigned the Company's debt owing to QSCM on 7 July 2017. As at the date of this announcement, the Company owes Mr. Zhang S$5,720,000. Other than being a present creditor of the Company, Mr. Zhang has no other connections (including any business relationship) with the Company, the Directors and the Company's substantial Shareholders.

8. Shareholders' approval for the allotment and issuance of the capitalisation shares to restricted persons pursuant to Rule 812(2) of the Listing Manual

In connection with the Fort Canning Debt Capitalisation, the Company will be seeking the approval of Shareholders for the allotment and issuance of the Capitalisation Shares to Fort Canning pursuant to Rule 812(2) of the Listing Manual. Fort Canning falls under the restricted categories of persons as set out in Rule 812(1) of the Listing Manual as it is a Substantial Shareholder of the Company and is also a corporation in whose shares the Company's Directors and substantial shareholders have an aggregate interest of at least 10%. As at the date of this announcement, the Company's chairman of the Board, Mr. Simon Eng, owns 50% of Fort Canning and the remaining 50% is held by his spouse, Ms. Hau Chan Yen.

Save for Fort Canning, the Subscribers have warranted to the Company that they are not persons falling within the restricted categories as set out in Rule 812(1) of the Listing Manual.

Save as disclosed in this Circular and to the best of the knowledge of the Directors, the Subscribers, Fort Canning, and where applicable, its directors and its substantial

shareholders do not have any connection (including other business dealings) with the Group, its Directors and substantial shareholders.

9. Effect of the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation on the Share Capital and the Shareholding Structure of the Company

Share Capital

	Before completion of the Debt Capitalisation Exercise and Fort Canning Debt Capitalisation	After completion of the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation (1)
Issued and paid-up share capital (S$)	196,454,117.27	209,141,289.10
Number of Shares	14,942,564,101	40,316,907,761

Note:

(1) Assuming that the 25,374,343,660 Capitalisation Shares are issued and allotted to the Subscribers in full.

Change in Shareholding Structure

Name of Shareholders	Before the Debt Capitalisation Exercise and Fort Canning Debt Capitalisation		After the Debt Capitalisation Exercise and Fort Canning Debt Capitalisation	
	Shares	Percentage interest in the Company (%)#	Shares	Percentage interest in the Company (%)*
Mr. Simon Eng	2,795,598,403 [1]	18.71	11,746,508,403 [2]	29.14
Ms. Hau Chan Yen	2,623,139,625 [3]	17.55	11,574,049,625 [4]	28.71
Fort Canning (Asia) Pte Ltd	1,348,495,104	9.02	10,299,405,104	25.55
Saffron Elite Limited	-	-	2,481,051,100	6.15
Platon Resources Pte. Ltd.	-	-	2,176,000,000	5.40
Toppan Vintage Pte. Ltd.	-	-	94,220,560	0.23
KordaMentha Pte. Ltd.	-	-	48,150,000	0.12
Robert Wang & Woo LLP	-	-	25,212,000	0.06
Mr. Hue Kuan Yew Attlee	-	-	25,832,000	0.06
Mr. Chay Yiowmin	10,128,561	0.07	36,794,561	0.09

Mr. Choo Chee Kong Peter	150,941,008	1.01	160,941,008	0.40
Mr. Leong Kei Wei Mark	-	-	20,250,000	0.05
Mr. Ng Siew Hoong Linus	-	-	50,000,000	0.12
Mr. Loo Cheng Guan	-	-	17,334,000	0.04
Mr. Song Tang Yih	408,543,086	2.73	417,261,086	1.04
Mr. Zhang Baoan	-	-	11,440,000,000	28.38
Mr. Tan Tian Hong Jeffrey	732,157,220 [5]	4.90	2,908,157,220 [6]	7.21
Mr. Lim Liang Meng	335,000,780	2.24	2,816,051,880 [7]	6.98

Notes:

Based on the Existing Share Capital.

* Based on the Enlarged Share Capital Post Debt Capitalisation.

1 As at the Latest Practicable Date, pursuant to Section 4 of the Securities and Futures Act, Chapter 289) of Singapore ("**Securities and Futures Act**"), Mr. Simon Eng is deemed interested in 1,348,495,104 Shares held through his 50% interest in Fort Canning, 1,274,644,521 Shares held through his 50% interest in Belle Forte Ltd and 172,458,778 Shares through his 21.3% interest in Metech International Limited.

2 Following the completion of the Debt Capitalisation Exercise, the Fort Canning Debt Capitalisation and the allotment and issuance of the Capitalisation Shares, pursuant to Section 4 of the Securities and Futures Act, Mr. Simon Eng is deemed interested in 10,299,405,104 Shares held through his 50% interest in Fort Canning, 1,274,644,521 Shares held through his 50% interest in Belle Forte Ltd and 172,458,778 Shares through his 21.3% interest in Metech International Limited.

3 As at the Latest Practicable Date, pursuant to Section 4 of the Securities and Futures Act, Ms. Hau Chan Yen, spouse of Mr. Simon Eng, is deemed interested in 1,348,495,104 Shares held through her 50% interest in Fort Canning and 1,274,644,521 Shares held through her 50% interest in Belle Forte Ltd.

4 Following the completion of the Debt Capitalisation Exercise, the Fort Canning Debt Capitalisation and the allotment and issuance of the Capitalisation Shares, pursuant to Section 4 of the Securities and Futures Act, Ms. Hau Chan Yen is deemed interested in 10,299,405,104 Shares held through her 50% interest in Fort Canning and 1,274,644,521 Shares held through her 50% interest in Belle Forte Ltd.

5 As at the Latest Practicable Date, Mr. Tan Tian Hong Jeffrey holds 26,572,214 Shares and pursuant to Section 4 of the Securities and Futures Act, he is deemed interested in the 135,335,466 Shares held though his 100% interest in Silveron Resources Ltd, and 570,249,540 Shares held though his 49% interest in Sunrise Investors.

6 Following the completion of the Debt Capitalisation Exercise, the Fort Canning Debt Capitalisation and the allotment and issuance of the Capitalisation Shares and assuming that Mr. Tan Tian Hong Jeffrey continues to hold holds 26,572,214 Shares pursuant to Section 4 of the Securities and Futures Act, he is also deemed interested in the 135,335,466 Shares held though his 100% interest in Silveron Resources Ltd, 570,249,540 Shares held though his 49% interest in Sunrise Investors and 2,176,000,000 Shares held through his 100% interest in Platon Resources.

7 Following the completion of the Debt Capitalisation Exercise, the Fort Canning Debt Capitalisation and the allotment and issuance of the Capitalisation Shares and assuming that Lim Liang Meng continues to hold 335,000,780 Shares, and pursuant to Section 4 of the Securities and Futures Act, he is also deemed interested in the 2,481,051,100 Shares held though his 100% interest in Saffron Elite.

10. Transfer of Controlling Interest pursuant to the Debt Capitalisation Exercise and Fort Canning Debt Capitalisation

Rule 803 of the Listing Manual provides that an issuer must not issue securities to transfer a Controlling Interest without prior approval by Shareholders in a general meeting. Under the Listing Manual, a Controlling Shareholder is a person who (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding treasury shares) in the Company, or (b) in fact exercises control over the Company.

As at the date of this announcement, Fort Canning holds 1,348,495,104 Shares representing an approximate interest of 9.02% of the Existing Share Capital, and Mr. Zhang presently holds no Shares.

On the completion of the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation, Fort Canning will hold 10,299,405,104 Shares representing an approximate interest of 25.55% of the Enlarged Share Capital Post Debt Capitalisation and Mr. Zhang will hold 11,440,000,000 Shares representing an approximate interest of 28.38% of the Enlarged Share Capital Post Debt Capitalisation.

The Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation will therefore result in Fort Canning and Mr. Zhang holding more than 15% of the Company's Enlarged Share Capital Post Debt Capitalisation, thereby causing a transfer in controlling interest. Accordingly, the Company is seeking the approval of Shareholders for the Transfer of Controlling Interest in accordance with Rule 803 of the Listing Manual.

However, notwithstanding the Transfer of Controlling Interest, Fort Canning and Mr. Zhang are not seeking control of the Company and our chairman of the Board, Mr. Simon Eng remains the largest Controlling Shareholder of the Company.

11. Financial Effects of the Debt Capitalisation Exercise and The Fort Canning Debt Capitalisation

Assuming the Capitalisation Shares are issued and allotted in full, the aggregate Capitalisation Price payable by each of the Subscriber and the aggregate Capitalisation Price payable by Fort Canning, to the Company will be fully set-off and settled against the Debt Owing and the Fort Canning Debt, respectively. For the avoidance of doubt, there would be no cash proceeds raised from the allotment and issuance of the Debt Capitalisation Shares.

FOR ILLUSTRATIVE PURPOSES ONLY, the *pro forma* financial effects of the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation on the Group are set forth below and were prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2016 ("**FY2016**"), being the most recently completed financial year of the Group, subject to the following assumptions:

(a) 25,374,343,660 Capitalisation Shares are fully issued and allotted by the Company to the Subscribers and Fort Canning;

(b) the expenses incurred by the Company in connection with the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation are disregarded for the purposes of calculating the financial effects;

(c) for the purpose of computing the Net Tangible Asset ("**NTA**") per Share, it is assumed that the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation was completed on 31 December 2016; and

(d) for the purpose of computing the earnings per Share ("**EPS**") of the Group, it is assumed that the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation was completed on 1 January 2016.

The *pro forma* financial effects are presented for illustration purposes only, and are not intended to reflect the actual or future financial situation of the Company or the Group.

NTA

	Before completion of the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation	**After completion of the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation [(1)]**
NTA of the Group attributable to Shareholders (S$'000)	(14,281)	44
Number of Shares	14,942,564,101	40,316,907,761
NTA per Share[(2)] (cents)	(0.0956)	0.0001

Notes:

(1) Assuming that the Capitalisation Shares had been issued and allotted by the Company to the Subscribers and Fort Canning in full as at 31 December 2016, being the end of FY2016, pursuant to the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation, respectively.

(2) NTA per Share is computed based on the NTA of the Group attributable to Shareholders divided by the number of Shares.

EPS

	Before completion of the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation	**After completion of the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation[(1)]**
Net earnings of the Group attributable to Shareholders (S$'000)	(6,884)	(6,884)
Weighted average number of Shares	14,942,564,101	40,316,907,761
EPS[(2)] (cents)	(0.0461)	(0.0171)

Notes:

(1) Assuming that the Capitalisation Shares had been issued and allotted by the Company to the Subscribers and Fort Canning in full as at 1 January 2016, being the beginning of FY2016, pursuant to the Debt Capitalisation Exercise and the Fort Canning Debt Capitalisation, respectively.

(2) EPS is computed based on the net earnings of the Group attributable to Shareholders divided by the weighted average number of Shares.

B. THE RCB ISSUANCE

1. Details of the RCB Issuance

The Board refers to the Company's previous announcement on 24 July 2017 ("**24 July 2017 Announcement**") regarding the signing of a memorandum of understanding with Baycrest International Inc. ("**Baycrest**") for the issuance of redeemable convertible bonds by the Company to Baycrest.

Further to the 24 July 2017 Announcement, the Company is proposing to issue S$2,000,000 worth of redeemable convertible bonds ("**RCB**") to Baycrest. The RCB will have a maturity date of three (3) years (the "**Maturity Date**") from the date of issuance of the RCB (the "**RCB Issuance Date**") and carry a 3% coupon per annum.

The RCB may be converted, at the option of the Bondholder, during the Conversion Period (as defined in paragraph 5 below), into 4,000,000,000 new ordinary Shares of the Company ("**Conversion Shares**") at the conversion price of S$0.0005 ("**Conversion Price**"), subject to the terms and conditions of the RCB ("**Terms and Conditions of the RCB**"), as appended as schedule 1 to the RCB subscription agreement dated 21 December 2017 ("**RCB Subscription Agreement**") entered into between the Company and Baycrest.

The RCB Subscription Agreement contains, *inter alia*, the Terms and Conditions of the RCB. Please refer to paragraph 5 below for the principal Terms and Conditions of the RCB.

2. Rationale of the RCB Issuance and the Use of Proceeds

Rationale

Notwithstanding that the Company made a profit of S$300,000 for the 9 months ended 30 September 2017 (as announced on 19 October 2017), and the expected profitability of the full financial year ended 31 December 2017, the Company has decided to undertake the RCB Issuance to strengthen its financial position and improve its working capital position.

Furthermore, the Board also believe that Baycrest could provide synergy to the Group when the Group acquires new companies and assets in the future.

Use of Proceeds

The Company intends to use the net proceeds from the RCB Issuance for general working capital purposes.

Pending the deployment for the use identified above, the net proceeds may be deposited with banks and/or financial institutions or invested in money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

The Company will make periodic announcements of the utilisation of the net proceeds from the RCB Issuance as and when the funds are materially disbursed and whether such use is in accordance with the stated use and percentage allocated. The Company will also provide a status report on the use of the proceeds in the Company's interim and full year financial statements and the Company's annual report. The Company will

disclose a breakdown with specific details on the use of proceeds for working capital in such announcements and annual reports. Where there is material deviation from the stated use of the net proceeds, the Company will announce the reasons for such deviation.

3. Conditions precedent to the RCB Issuance

The Proposed RCB Issuance is conditional upon, among others, the following:

(a) completion of the Debt Capitalisation Exercise and Fort Canning Debt Capitalisation;

(b) the respective representations and warranties by the Company and Baycrest, being true and accurate in all material respects on and as of the RCB Issuance Date (as defined below), with the same force and effect as though made on and as of the RCB Issuance Date, and each party to the RCB Subscription Agreement having performed and complied with all their respective undertakings, covenants and agreements set out in the RCB Subscription Agreement on or prior to the RCB Issuance Date. "**RCB Issuance Date**" *means a date falling not later than three (3) Business Days after all the RCB Conditions have been fulfilled or waived, or such other date as may be agreed to in writing by the Company and Baycrest, on which the RCB will be allotted and issued to Baycrest by the Company in exchange for payment of the aggregate RCB principal amount by Baycrest to the Company*;

(c) all required consents and approvals for the transactions under the RCB Subscription Agreement having been obtained without restrictions or limitation whatsoever that are unacceptable to the Company and Baycrest, and being in full force and effect, in particular and without limitation:

(i) the approval of the Board for the entering into of the RCB Subscription Agreement and the transactions as contemplated pursuant to the RCB Subscription Agreement and any related transactions in relation thereto;

(ii) specific approval from the Shareholders to be obtained by the Company at the EGM for the RCB Issuance and for the allotment and issuance of up to 4,000,000,000 Conversion Shares (the "**Maximum Conversion Shares**") to Baycrest and/or its nominees (who shall be related parties of Baycrest) in accordance with the terms and conditions of the RCB Subscription Agreement;

(iii) the approval in-principle of the SGX-ST for, among others, the listing and quotation of the Conversion Shares on the Main Board of the SGX-ST, having been obtained by the Company and such approval not having been withdrawn, revoked or amended and where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and Baycrest, and to the extent that any conditions for the listing and quotation of the Conversion Shares on the Main Board of the SGX-ST are required to be fulfilled, they are so fulfilled prior to the RCB Issuance Date;

(iv) all licenses, consents, approvals, waivers, authorisations or other orders of and all notices, registrations, submissions or filings with all relevant government bodies, statutory authorities or regulatory, administrative or supervisory bodies (including, without limitation, the SGX-ST, the Monetary Authority of Singapore, the Singapore Industry Council, third party contractors, counterparties, financing or facility providers of the Company as may be required for or in connection with the entering into of the RCB Subscription Agreement by the Company, the transactions as contemplated by the RCB Subscription

Agreement, and the allotment and issuance of and the listing and quotation for the Conversion Shares on the Main Board of the SGX-ST, all having been obtained and not having been withdrawn, revoked or amended and if subject to any conditions, such conditions being reasonably acceptable to the Company and the Bondholder and are fulfilled on or before the RCB Issuance Date;

(d) On or prior to the RCB Issuance Date, there shall have been delivered to Baycrest, each in a form reasonably satisfactory to Baycrest, any additional documents which is necessary for the completion of the RCB Issuance (specifically, the settlement of the subscription consideration for the RCB); and

(e) On the RCB Issuance Date, the issuance and sale of the RCB to Baycrest and/or its nominees (who shall be related parties of Baycrest) not being prohibited by the laws and regulations of any jurisdiction to which the Subscriber and/or its nominees (who shall be related parties of Baycrest) or the Issuer is subject.

(collectively the "**RCB Conditions**")

Should the RCB Conditions not be satisfied or waived by the respective entitled party to the RCB Subscription Agreement on or before the RCB Issuance Date, the RCB Subscription Agreement may be terminated by Baycrest by written notice to the Company.

4. Background of the Baycrest

Baycrest is a company incorporated in the United States of America as a California S Corp with Fed ID 770518279 and its principal registered address at 2055 Junction Ave. Ste. 228, San Jose, CA 95131. It is principally engaged in the scrap plastic and metal business. It specialises in the recycling of electronic waste plastic, metal and manganese steel and it exports various grades of scrap plastics and metals to China.

Baycrest has no connection or existing business relationships with the Company, its Directors and substantial Shareholders. It is legally and beneficially owned by Jim Fei and Helen Gan. Both Jim Fei and Helen Gan do not own any Shares in the Company and are unrelated to the Company, its Directors and substantial Shareholders.

Baycrest was introduced to the Company by Mr. Andrew Eng, the Chief Executive Officer of Metech and the brother of Mr. Simon Eng, the chairman of the Board of the Company. No introducer fee or commission was paid by the Company to Mr. Andrew Eng.

Baycrest is a willing investor who is willing to invest in Asia, and in connection therewith, it has decided to invest in the Company's business.

Baycrest has provided an undertaking to the Company *inter alia*, that neither itself, its directors, its substantial Shareholders, nor any of its nominees (who shall be related parties of Baycrest) are persons falling within the list of persons as stipulated in Rule 812(1) of the Listing Manual.

Baycrest has further undertaken that it and/or its nominees (as bondholder) shall not convert the RCB into Conversion Shares insofar as such conversion would result in it or its nominees (who shall be related parties of Baycrest) becoming a Controlling Shareholder of the Company and/or resulting in it and/or its nominees (who shall be related parties of Baycrest) triggering a mandatory general offer obligation pursuant to Rule 14 of the Singapore Code on Takeovers and Mergers.

5. Principal Terms and Conditions of the RCB

Form and denomination	:	The RCB will be issued in registered form in the denomination of S$250,000 or integral multiples thereof without coupons attached and will be constituted by a bond certificate which will be numbered serially with an identifying number and recorded on the relevant Certificate and in the register of Bondholders as kept by the Company. Title to the RCB shall be evidence by registration in the Company's register of bondholders.
Principal amount	:	S$2,000,000.
Issue price	:	100% of the aggregate principal amount of the RCB.
Maturity Date	:	The Date falling on the third anniversary of the RCB Issuance Date.
Interest	:	The RCB will bear interest, calculated from the RCB Issuance Date at the rate of 3.00 per cent. per annum of the principal amount outstanding of the Bonds. Interest is non-compounded, payable in cash and quarterly in arrears in each calendar year commencing from the RCB Issuance Date.
Status of the RCB	:	The RCB will constitute senior, direct, unconditional and unsecured obligation of the Company and will at all times rank above all present and future obligations owing to the Shareholders and/or all future obligations owing to subsidiaries of the Company (save that such present and/or future obligations shall not have arose or arisen in the Company's or where relevant, the Company's subsidiaries' ordinary course of business), but rank *pari passu* without any preference among themselves and with all other present and future direct, senior, unsubordinated, unconditional and unsecured obligations of the Issuer (including present and future obligations owing to the shareholders of the Issuer and/or all future obligations owing to subsidiaries of the Issuer that arose or shall arise in the Issuer's or where relevant, the Issuer's subsidiaries' ordinary course of business) other than those preferred by statute or applicable law.

Conversion Price	:	S$0.0005 per Conversion Share. The Conversion Price was agreed to between the Company and Baycrest on an arm's length basis, taking into account factors such as, among others, the current market price of the Shares. The Conversion Price represents a 50% discount to the last traded VWAP per Share of S$0.001. The Conversion Price shall be adjusted accordingly should an adjustment event as stipulated in the Terms and Conditions of the RCB takes place and the Company will provide a notice of such adjustment to the Bondholder and announce any such adjustments if required by the Listing Manual.
Conversion Shares	:	Up to 4,000,000,000 Conversion Shares (assuming no adjustments to the Conversion Price) to be allotted and issued to the Bondholder upon conversion of the RCB, determined by dividing the principal amount of RCB converted over the Conversion Price. The Conversion Shares, as when issued upon the conversion of the RCB by the Bondholder, shall be issued as fully paid and shall be free from any and all encumbrances whatsoever, and shall rank *pari passu* with, and shall carry all rights similar to, the existing Shares, except that they will not rank for any dividend, right, allotment or other distributions, the Record Date for which falls on or before the date of issue of the Conversion Shares.
Conversion Period	:	The continuous period beginning on the Market Day immediately after the RCB Issuance Date up to the close of business of the Company on the date falling seven (7) Business Days prior to Maturity Date, or if the RCB shall have been called for redemption by the Company before the Maturity Date, then up to the close of business of the Company on the date no later than seven (7) Business Days prior to the date fixed for redemption thereof, or if a Relevant Event Redemption Notice (as defined in the Terms and Conditions of the RCB) has been given by the Bondholder to the Company, then up to the close of business of the Company on the day prior to the giving of such Relevant Event Redemption Notice, provided that the right of conversion during any Closed Period and Book Closure Period (both as defined in the Terms and Conditions of the Bonds) shall be suspended and the Conversion Period shall not include any such Closed Period and Book Closure Period.

Conversion Right	:	At any time during the Conversion Period (other than a Closed Period and Book Closure Period (both as defined in the Terms and Conditions of the RCB)), the Bondholder shall have the the option (but not the obligation), and provided that the aggregate value of each conversion tranche is at least S$250,000, to convert the RCB into Conversion Shares, at the Conversion Price, by adhering to the conversion procedure as stipulated in the Terms and Conditions of the RCB. Notwithstanding the forgoing, the Bondholder shall not convert the RCB insofar as such conversion would (i) result in the Bondholder becoming a Controlling Shareholder in the Company and (ii) result in the Bondholder triggering a mandatory general offer obligation pursuant to Rule 14 of the Singapore Code on Takeovers and Mergers.
Adjustment to Conversion Price	:	The Conversion Price will be subject to adjustments under certain events provided for in the RCB Subscription Agreement.
Redemption	:	Unless previously converted into Conversion Shares, redeemed, converted or purchased and cancelled in accordance with the terms of the RCB Subscription Agreement, the RCB shall be redeemed by the Company on the Maturity Date or at such other event or time as set out in the Terms and Conditions of the RCB by adhering to the procedure for redemption.
Assignability / Transferability	:	Baycrest may only assign or transfer all or any portion of its rights under the RCB Subscription Agreement to its designated nominee (as notified by Baycrest to the Company and only with consent of the Company for such assignment, such consent not to be unreasonably withheld). The Company shall have no right to assign or transfer any of its rights or obligations under the RCB Subscription Agreement and shall remain fully liable for all the obligations, covenants, duties and liabilities thereunder.
Listing Status	:	The RCB shall not be listed on any stock exchange.
Notice of Maturity	:	Unless all the RCB have been fully converted, redeemed, purchased and cancelled, the Company will make an announcement of the Maturity Date and/or send a notice of such Maturity Date to the Bondholder at least one (1) month before the Maturity Date.
Modification to the Terms and Conditions of the RCB	:	To the extent required by the SGX-ST from time to time, any material modification to the Terms and Conditions of the RCB which is for the benefit of the Bondholder but is materially prejudicial to the interests of the Shareholders shall not be effected without the prior approval of the Shareholders at a general meeting of the Company, unless such modification is made pursuant to the Terms and Conditions of the RCB.

Termination of RCB Subscription Agreement	:	Notwithstanding any other provisions in the RCB Subscription Agreement, Baycrest may, by notice to the Company given at any time prior to settlement of the subscription consideration for the RCB to the Company, terminate the RCB Subscription Agreement in any of the following circumstances: (i) if there shall have come to the notice of Baycrest any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the RCB Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the RCB Subscription Agreement; (ii) if there shall have occurred any new law or regulation or any change or development involving a prospective change in existing laws or regulations which, in Baycrest's view (after consultation with the Company), would or would likely have a material adverse effect on the financial position of the Group; (iii) if the shares are delisted and removed from the official list of the SGX-ST; (iv) if any of the RCB Conditions not having been satisfied (or waived) on the Date of the Issuance of the RCB; or (v) if there is any Material Adverse Effect (as defined in the RCB Subscription Agreement) on the financial position of the Company or the Group (as a whole), and upon such notice being given by Baycrest, the RCB Subscription Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of the RCB Subscription Agreement (except for their respective obligations, covenants or undertakings which, pursuant to the terms of the RCB Subscription Agreement, are expressed to survive such termination).
Transfer	:	Subject to the Terms and Conditions of the RCB, the RCB may be transferred by delivery of the RCB Certificate issued in respect of that RCB, with the form of transfer on the back duly completed and signed by the holder or its attorney duly authorised in writing, to the specified office of the Company. No transfer of title to a RCB will be valid unless and until entered on the register of bondholders, as maintained by the Company.
Liquidation/ winding-up	:	On the occurrence of a Winding-Up (as defined in Clause 10(v) of the Terms and Conditions of the RCB), the Bondholder may give notice to the Company that the RCB shall become immediately due and repayable at their principal amount plus accrued interest, subject to the Terms and Conditions of the RCB.

6. Effect of The RCB Issuance on the Share Capital and the Shareholding Structure of the Company

Share Capital

The Company will have 40,316,907,761 Shares in issue prior to the RCB Issuance (assuming the completion of the Debt Capitalisation Exercise, the Fort Canning Debt Capitalisation, and the full allotment and issuance of the Capitalisation Shares).

Following the completion of the RCB Issuance and assuming the full conversion of the RCB into Conversion Shares and the allotment and issuance of the Maximum Conversion Shares, the total issued and paid-up share capital of the Company will increase to 44,316,907,761 Shares (the "**Enlarged Share Capital**").

Change in Shareholding Structure

Assuming the full allotment and issuance of the Maximum Conversion Shares, the change in the shareholding structure of the Company is as follows:

Name of Shareholders	Before the RCB Issuance*		After the RCB Issuance**	
	Shares	Percentage (%)#	Shares	Percentage (%)##
Mr. Simon Eng	11,746,508,403[1]	29.14	11,746,508,403	26.51
Ms. Hau Chan Yen	11,574,049,625[2]	28.71	11,574,049,625	26.12
Fort Canning (Asia) Pte Ltd	10,299,405,104	25.55	10,299,405,104	23.24
Saffron Elite Limited	2,481,051,100	6.15	2,481,051,100	5.60
Platon Resources Pte. Ltd.	2,176,000,000	5.40	2,176,000,000	4.91
Toppan Vintage Pte. Ltd.	94,220,560	0.23	94,220,560	0.21
KordaMentha Pte. Ltd.	48,150,000	0.12	48,150,000	0.11
Robert Wang & Woo LLP	25,212,000	0.06	25,212,000	0.06
Mr. Hue Kuan Yew Attlee	25,832,000	0.06	25,832,000	0.06
Mr. Chay Yiowmin	36,794,561	0.09	36,794,561	0.08
Mr. Choo Chee Kong Peter	160,941,008	0. 40	160,941,008	0.36
Mr. Leong Kei Wei Mark	20,250,000	0.05	20,250,000	0.05
Mr. Ng Siew Hoong Linus	50,000,000	0.12	50,000,000	0.11
Mr. Loo Cheng Guan	17,334,000	0.04	17,334,000	0.04
Mr. Song Tang Yih	417,261,086	1.04	417,261,086	0.94
Mr. Zhang Baoan	11,440,000,000	28.38	11,440,000,000	25.81
Mr. Tan Tian Hong Jeffrey	2,908,157,220 [3]	7.21	2,908,157,220	6.56

Mr. Lim Liang Meng	2,816,051,880[4]	6.98	2,816,051,880	6.35
Baycrest International Inc	-	-	4,000,000,000	9.03

Notes:

* Assuming the completion of the Debt Capitalisation Exercise, the Fort Canning Debt Capitalisation and the full allotment and issuance of the Capitalisation Shares.

** Assuming the completion of the Debt Capitalisation Exercise, the Fort Canning Debt Capitalisation, the full allotment and issuance of the Capitalisation Shares, the completion of the RCB Issuance, the full conversion of the RCB and the allotment and issuance of the Maximum Conversion Shares.

Based on the Enlarged Share Capital Post Debt Capitalisation.

##Based on the Enlarged Share Capital.

1 Following the completion of the Debt Capitalisation Exercise, the Fort Canning Debt Capitalisation and the allotment and issuance of the Capitalisation Shares, pursuant to Section 4 of the Securities and Futures Act, Mr. Simon Eng is deemed interested in 10,299,405,104 Shares held through his 50% interest in Fort Canning, 1,274,644,521 Shares held through his 50% interest in Belle Forte Ltd and 172,458,778 Shares through his 21.3% interest in Metech International Limited.

2 Following the completion of the Debt Capitalisation Exercise, the Fort Canning Debt Capitalisation and the allotment and issuance of the Capitalisation Shares, pursuant to Section 4 of the Securities and Futures Act, Ms. Hau Chan Yen is deemed interested in 10,299,405,104 Shares held through her 50% interest in Fort Canning and 1,274,644,521 Shares held through her 50% interest in Belle Forte Ltd.

3 Following the completion of the Debt Capitalisation Exercise, the Fort Canning Debt Capitalisation and the allotment and issuance of the Capitalisation Shares and assuming that Mr. Tan Tian Hong Jeffrey continues to hold holds 26,572,214 Shares pursuant to Section 4 of the Securities and Futures Act, he is also deemed interested in the 135,335,466 Shares held though his 100% interest in Silveron Resources Ltd, 570,249,540 Shares held though his 49% interest in Sunrise Investors and 2,176,000,000 Shares held through his 100% interest in Platon Resources.

4 Following the completion of the Debt Capitalisation Exercise, the Fort Canning Debt Capitalisation and the allotment and issuance of the Capitalisation Shares and assuming that Lim Liang Meng continues to hold 335,000,780 Shares, pursuant to Section 4 of the Securities and Futures Act, he is also deemed interested in the 2,481,051,100 Shares held though his 100% interest in Saffron Elite.

7. Financial Effects of the RCB Issuance

The financial effects of the Proposed RCB Issuance on the NTA value per Share and the EPS of the Group have been prepared based on the financial results for the Group's FY2016. The pro forma financial effects of the RCB Issuance are for illustrative purposes only and do not reflect the actual financial effects or the future financial performance and condition of the Group after the RCB Issuance.

For the purposes of illustrating the financial effects of the RCB Issuance, the financial effects have been prepared based on, among others, the following assumptions:

(a) the completion of the Debt Capitalisation Exercise, the Fort Canning Debt Capitalisation and the full allotment and issuance of the Capitalisation Shares by 31 December 2016;

(b) the financial effects of the RCB Issuance on the NTA value per Share of the Group are computed assuming that the RCB Issuance and the full conversion of the RCB and the allotment and issuance of the Maximum Conversion Shares had taken place on 31 December 2016;

(c) the financial effects of the RCB Issuance on the EPS of the Group are computed assuming that the RCB Issuance and the full conversion of the RCB

and the allotment and issuance of the Maximum Conversion Shares had been completed on 1 January 2016; and

a. the expenses in connection with the RCB Issuance are disregarded for the purposes of calculating the financial effects.

NTA value per Share

	Before the RCB Issuance	After the RCB Issuance
Consolidated NTA attributable to Shareholders (S$'000)	44	2,044
Number of Shares (excluding treasury Shares)	40,316,907,761	40,316,907,761
NTA value per Share (cents)	0.0001	0.0046

EPS

	Before the RCB Issuance	After the RCB Issuance
Consolidated net profits attributable to Shareholders (S$'000)	(6,884)	(6,884)
Number of Shares (excluding treasury Shares)	40,316,907,761	40,316,907,761
EPS (cents)	(0.0171)	(0.0155)

C. GENERAL

1. Interest of Directors and Substantial Shareholders

As at the date of this announcement, the interest of Directors and substantial Shareholders are set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	%(1)	Number of Shares	%(1)
Directors				
Simon Eng	-	-	2,795,598,403[1]	18.71
Lee Suan Hiang	-	-	-	-
Chan Keng Ho	-	-	-	-
Paul Lim Choon Wui	-	-	-	-
Substantial/ Controlling Shareholders				
Hau Chan Yen	-	-	2,623,139,625	17.55
Fort Canning (Asia) Pte Ltd	1,348,495,104	9.02	-	-
Belle Forte Ltd	1,274,644,521	8.53	-	-

Notes:

1 As at the Latest Practicable Date, pursuant to Section 4 of the Securities and Futures Act, Mr. Simon Eng is deemed interested in 1,348,495,104 Shares held through his 50% interest in Fort Canning, 1,274,644,521 Shares held through his 50% interest in Belle Forte Ltd and 172,458,778 Shares through his 21.3% interest in Metech International Limited.

2 As at the Latest Practicable Date, pursuant to Section 4 of the Securities and Futures Act, Ms. Hau Chan Yen, spouse of Mr. Simon Eng, is deemed interested in 1,348,495,104 Shares held through her 50% interest in Fort Canning and 1,274,644,521 Shares held through her 50% interest in Belle Forte Ltd.

Save as disclosed, none of the Directors or substantial Shareholders have any interest, direct or indirect, in the Debt Capitalisation Exercise, the Fort Canning Debt Capitalisation and the RCB Issuance, save for their respective shareholdings in the Company.

2. Extraordinary General Meeting and Circular to Shareholders

The Directors' are proposing to convene an EGM for Shareholders to consider if thought fit, to approve the Proposed Transactions. A circular containing, *inter alia*, further information regarding the Proposed Transactions, together with the notice of EGM will be sent to Shareholders in due course.

3. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/ or reproduced in this announcement in its proper form and context.

4. Trading Caution

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Shareholders and potential investors should note that the resumption of the trading of the shares of the Company are subject to numerous conditions precedent and there is no certainty or assurance that the shares of the Company will eventually resume trading on the SGX-ST. Shareholders and potential investors are advised to read all further announcements by the Company carefully and to consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board
Advance SCT Limited

Simon Eng
Chief Executive Officer
21 December 2017