



ADVANCE SCT LIMITED
(Company Registration No. 200404283C)

Proposed Acquisition of:

- (i) TTM Industries (M) Sdn. Bhd. (*TTMI*);
- (ii) Tsing Technologies (M) Sdn. Bhd. (*Tsing*) ((i) and (ii) together, the *Proposed Acquisitions*); and
- (iii) PT Nuansa Citra Cemerlang (*PT NCC Acquisition*)

A. Proposed Acquisitions

1. Introduction

The Board of Directors of Advance SCT Limited (**Company**) wishes to announce that the Company entered into separate conditional sale and purchase agreements dated 6 December 2006 (**SPAs**) with (i) Tembusu Growth Fund Limited (**Fund**) (together with the Company, **the Purchasers**) and Mr Lee Kok Peng (**Vendor**), in relation to TTMI; and (ii) with the Vendor, in relation to Tsing. The Company proposes to acquire 8,000,000 ordinary shares in the capital of TTMI from the Vendor, representing 80% of the issued and paid-up capital of TTMI (**TTMI Acquisition**), and 750,000 ordinary shares in the capital of Tsing from the Vendor, representing 100% of the issued and paid-up capital of Tsing (**Tsing Acquisition**).

For more information on the conditions precedent in the SPAs, please refer to section A6 herein.

2. Information on TTMI and Tsing Tech

TTMI is a company incorporated in Malaysia in 28 September 2004, whose principal business is copper smelting. Tsing is a company incorporated in Malaysia in December 2003, which is engaged in the business of recycling metal scrap.

TTMI has an authorized capital of RM10,000,000.00 comprising 10,000,000 ordinary shares of RM1.00 each and a paid-up capital of RM10,000,000.00 comprising 10,000,000 ordinary shares of RM1.00 (**TTMI Sale Shares**) each which are held wholly by the Vendor.

Tsing has an authorized capital of RM5,000,000.00 comprising 5,000,000 ordinary shares of RM1.00 each and a paid-up capital of RM750,000.00 comprising 750,000 ordinary shares of RM1.00 each (**Tsing Sale Shares**), which are held wholly by the Vendor.

3. Rationale for the Proposed Acquisitions

The purchase of a copper smelter with capacity of approximately 60,000 metric tonnes in Malaysia and two collection centres one in Malaysia and one in Indonesia respectively, will extend the Company's direct presence into Malaysia and Indonesia, in relation to the collection

and processing of copper and other related recyclable material. In addition, this will also increase the value-add on the material processed by our Company.

4. Purchase Consideration

The purchase consideration for the TTMI Sale Shares and the Tsing Sale Shares are S\$19,382,834 and S\$1,208,979 respectively. The purchase consideration was arrived at after arms' length negotiations between the parties to the SPAs, on a willing-buyer and willing-seller basis.

(i) TTMI

The consideration for the TTMI Sale Shares shall be the sum of S\$19,382,834 (**Sale Price**), payable to the Vendor by the Purchasers in the following amounts:

Total Sale Price	Amount payable by the Purchasers		FUND In Cash
	In Cash	In Shares	
S\$19,382,834	S\$13,567,984	S\$1,938,283	S\$3,876,567

The Sale Price shall be payable as to the total sum of S\$17,444,551 in cash, by the Company and the Fund, and the balance by way of the issuance of 3,009,756 new shares of the Company to the Vendor (**ASCT Consideration Shares**).

The ASCT Consideration Shares (based on an issue price of S\$0.644 per ASCT Consideration Share) will be issued to the Vendor after the expiry of the moratorium period of one year from the date of completion of the sale and purchase agreement in relation to the TTMI Acquisition or on 1 April 2008 after the expiry of the profit guarantee period, whichever is later. For more information on the profit guarantee period, please refer to section A6 herein. The Company intends to make an application to the SGX-ST for the listing and quotation of additional new shares, in order to issue the ASCT Consideration Shares, and will despatch a circular to its shareholders to seek their approval for such an issuance in due course.

After completion, the Company will hold 80% of the issued and paid-up share capital in TTMI while the Fund will hold the remaining 20% of the issued and paid-up share capital in TTMI.

The issue price of S\$0.644 for each ASCT Consideration Share is the weighted average market price of the Company's shares transacted on the SGX-SESDAQ from 23 November 2006 to 6 December 2006, being the last ten market days preceding the date of the execution of the TTMI SPA.

(ii) Tsing

The consideration for the Tsing Sale Shares shall be the sum of S\$1,208,979 payable in cash by the Company to the Vendor.

5. Funding

It is intended that the purchase consideration will be financed through a combination of the Company's internal cash resources, external bank borrowings and funds raised from the issuance of debt and/or equity-linked instruments by the Company.

6. Material Conditions

Conditions Precedent for the Proposed Acquisitions

The obligation of the Company to complete the TTMI Acquisition and Tsing Acquisition under the SPAs are subject to, *inter alia*:

- (a) the purchase of the TTMI Sale Shares and Tsing Sale Shares, and the other transactions contemplated by the SPAs, on the terms and subject to the conditions set out in the SPAs being approved by the shareholders of the Company (if necessary);
- (b) the circular to the shareholders, whether it be for the purposes of approving an interested party transaction or otherwise, setting out the purchase of the TTMI Sale Shares and Tsing Sale Shares, and the other transactions contemplated by this Agreement, on the terms and subject to the conditions set out in the SPAs (including the listing and quotation of the ASCT Consideration Shares pursuant to the TTMI acquisition) being approved by the SGX-ST (and where such approval is subject to any conditions, such conditions being reasonably acceptable to the Company);
- (c) the Company being satisfied with its due diligence investigations into the business, operations, management, financial, legal and tax affairs of each of TTMI and Tsing;
- (d) no material adverse change (as determined by the Purchaser(s)) in the prospects, operations or financial condition of Tsing and TTMI occurring;
- (e) Tsing having obtained all necessary governmental or regulatory filings, permits or approvals (including, but not limited to, that of the Foreign Investment Committee of Malaysia) pursuant to the Tsing Acquisition; and
- (f) consent from and/or waiver of his beneficial rights over the TTMI Sale Shares by Mr Seah Hock Thiam and/or by any third parties as may be necessary for the transfer of the legal title over the TTMI Sale Shares to the Company and/or their respective nominees and consummation of the transactions contemplated hereunder being obtained.

Profit Guarantee

The Vendor entered into profit guarantees in favour of the Purchasers on 6 December 2006 (**Profit Guarantee**), whereby the Vendor will make up any shortfall should the aggregate net profit after tax of Tsing and TTMI for the calendar year from 31 March 2007 to 31 March 2008 be less than S\$8 million.

7. Interested Person Transaction

The Vendor is a Controlling Shareholder of TTMI and Tsing. He borrowed funds of approximately RM 7 million from Mr Seah Hock Thiam, a Director of the Company, in early 2005, for the purposes of setting up TTMI. Mr Seah Hock Thiam therefore has a beneficial interest in the shares in TTMI. As ASCT will be acquiring the Vendor's shares in TTMI and Tsing, Mr Seah Hock Thiam would be an interested person in relation to ASCT. The Proposed Acquisitions thus constitute an Interested Person Transaction (**IPT**) under Chapter 9 of the Listing Manual of the SGX-ST (**Listing Manual**).

Pursuant to Rule 917(5) of the Listing Manual, the Board of Directors also wishes to announce the following IPTs in relation to Mr Seah Hock Thiam. Mr Seah Hock Thiam's siblings and the

spouses of these siblings are directors and/or shareholders of Eco Tropical Resources Pte Ltd (**ERPL**) and Chei Wei Scrap Dealer (**CWSD**). ERPL is a commission agent and trading company that purchases scrap metal from the Group. CWSD deals in the recycling and trading of scrap metal and sells to and purchases scrap metal from the Group. All transactions between the Group and ERPL and/or CWSD are conducted on an arms' length basis. For the current financial year, the Group's transactions with ERPL and CWSD amount to S\$793,724 and S\$101,453 respectively.

As at the date of this Announcement, the total value of all IPTs of the Company for the current financial year is S\$895,177.

Save as disclosed above, the Company has not entered into any other IPTs involving Mr Seah Hock Thiam within the current financial year, as at the date of this Announcement.

Mr Tan Kim Seng, the Company's Non-Executive Chairman, is also a director of the Fund, which is a party to the TTMI Acquisition. The Fund will hold 20% of the issued and paid-up capital of TTMI, subsequent to completion of the TTMI Acquisition. No cash or share consideration will pass between the Company and the Fund in relation to the TTMI Acquisition. Save as disclosed above, the Company has not entered into any other IPTs involving Mr Tan Kim Seng within the current financial year, as at the date of this Announcement.

8. Independent Financial Advisor

As the Proposed Acquisitions constitute an IPT, the Board of Directors has appointed Genesis Capital Pte. Ltd. as the independent financial advisor (**IFA**) to advise the audit committee of the Board. The IFA will issue its formal opinion in the circular to be despatched to shareholders of the Company (**Circular**) in due course.

9. Audit Committee's Statement

The Audit Committee will form its view on whether the Proposed Acquisitions are on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders after considering the opinion of the IFA. The view of the Audit Committee will be set out in the Circular.

10. Shareholders' approval

As the purchase consideration for the Proposed Acquisitions exceeds 5% of the Company's latest consolidated Net Tangible Assets (**NTA**), and as the Proposed Acquisitions constitute an IPT, the approval of independent shareholders of the Company at an extraordinary general meeting to be convened in accordance with Rule 906 of the Listing Manual is required for the Proposed Acquisitions. The Company will in due course update its shareholders in relation to this.

11. Financial Effects

The financial effects of the Proposed Acquisitions are for illustration purposes only and do not reflect the future financial position of the Company or its subsidiaries (**Group**) after completion of the Proposed Acquisitions. The financial effects of the Proposed Acquisition are based on the audited financial statements of the Group for the financial year ended 30 June 2006.

Earnings per Share (EPS)

Assuming that the Proposed Acquisitions had been completed on 1 July 2005, the effect of the Proposed Acquisitions on the Group's EPS for FY2006 would have been:-

	Before the Proposed Acquisitions	After the Proposed Acquisitions
Earnings per share ⁽¹⁾	2.53 cents	2.55 cents

Note:

- (1) The above computation is based on the weighted average number of shares of the Company of 143,927,602 for the financial year ended 30 June 2006.

NTA

Assuming that the Proposed Acquisitions had been completed on 1 January 2005, the effect of the Proposed Acquisitions on the Group's NTA for FY2006 would have been:-

	Before the Proposed Acquisitions	After the Proposed Acquisitions
Net Tangible Asset per share ⁽¹⁾	2.53 cents	2.55 cents

Note:

- (1) The above computation is based on 210,694,630 shares of the Company as at 30 June 2006.

12. Relative figures pursuant to Rule 1006 of the Listing Manual

The relative figures computed based on the Group's FY2006 results are as follows:

<u>Basis</u>	TTMI	Tsing Tech	Total
(a) The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not Applicable. Acquisition of asset.	Not Applicable. Acquisition of asset.	Not Applicable
(b) The net profits attributable to the sale shares in TTMI and Tsing Tech, compared with the Group's net profits.	(0.68%)	1.66%	0.97%
(c) The aggregate value of the purchase consideration, compared with the Company's market capitalisation.	8.27%	0.64%	8.91%
(d) The number of shares issued by the Company as consideration for the Proposed Acquisitions, compared with the number of shares in ASCT previously in issue ⁽¹⁾ .	1.14	Not Applicable. Cash Consideration.	1.14

Note:

- (1) The market capitalization is computed based on the closing price of \$0.71 on 6 December 2006
- (2) Based on the number of shares of the Company in issue as at the date of this announcement, which is 264,224,030.

B. PT NCC Acquisition

The Board of Directors of the Company also wishes to announce that the Company has entered into a conditional sale and purchase agreement dated 6 December 2006 (**PT NCC SPA**) with PT Nuansa Citra Cemerlang (**PT NCC**), a company incorporated in Indonesia. The Company proposes to acquire 300 ordinary shares of RP 1,000,000 each in the capital of PT NCC, representing 100% of the issued and paid-up share capital of PT NCC, for the total consideration of S\$1,200,000 to be satisfied in cash on completion. The consideration for the PT NCC Acquisition was arrived at on a willing-buyer and willing-seller basis. Completion of the PT NCC Acquisition is subject to, *inter alia*, the completion of satisfactory due diligence investigations.

As PT NCC was only incorporated in July 2006, there are no audited accounts available for PT NCC.

The PT NCC Acquisition falls into the category of a non-discloseable transaction, pursuant to the relative figure as computed on the bases of Rule 1006 of the Listing Manual. The PT NCC Acquisition also does not involve an interested person transaction.

C. General

Copies of the SPAs and PT NCC SPA are available for inspection during normal business hours at the registered office of the Company located at No 6 Tuas View Circuit, Singapore 637599 for 3 months from the date of this announcement.

Submitted by Samuel Ang King Wee on 7 December 2006 to the SGX