

Advance SCT

(Incorporated in the Republic of Singapore)
(Company Registration No. 200404283C)

PRESS RELEASE

Advance SCT announces earnings accretive acquisition of business with capabilities to support Smart City M&E system

- **Acquiring 40% stake in M&E specialist N&T for S\$3.5 million and to pay in new ASCT's shares at \$0.001 each;**
- **N&T Group specialises in design, customisation, operation, installation and maintenance of Mission-Critical Facilities and Infrastructures ("MCFI"); and Smart City System;**
- **Enables the Company to venture into a highly specialised M&E industry for potential business opportunities arising from Singapore's Smart Nation Plans**

Singapore, 29 January 2019 – Advance SCT Limited ("**ASCT**" or the "**Company**"), following its previous announcement to diversify into smart M&E and infrastructure engineering sector, announces today that it has entered into a conditional sale and purchase agreement to acquire 40% stake in N&T Engineering Enterprises Pte Limited ("**N&T**") for an aggregate consideration of up to S\$3.5 million ("**the Proposed Acquisition**").

Incorporated in Singapore in 1995, N&T is a Singapore-based M&E company specialising in design, customisation, operation, installation and maintenance of MCFI and MCS. Its clients are mainly government agencies, government linked companies, multinational corporations and higher learning institutions. N&T currently owns 100% of N&T Smart Engineering Pte Limited ("**N&T Smart**"), which was incorporated in August 2018 (collectively, "**N&T Group**"). N&T Smart has not commenced business since its incorporation.

Upon completion of the Proposed Acquisition, N&T shall transfer its entire stake in the newly-incorporated N&T Smart to the Company for a consideration of just S\$1.00.

Potentially under the business platform of ASCT, N&T Smart is expected to then spearhead new growth initiatives primarily in research and experimental development, including system development and system integration relying on integrated use of Internet of Things ("**IoT**") and artificial intelligence ("**AI**"), in supporting Smart Facilities Management ("**Smart FM**") thereby expanding the project scopes which N&T could procure and undertake.

The purchase price of S\$3.5 million is to be fully satisfied via issuance of new shares at \$0.001 each that S\$2.8 million is to be paid upfront upon deal completion while the remaining S\$0.7 million is to be paid only when N&T Group achieves a Net Profit after Tax ("**NPAT**") of not less than S\$1.2 million for the full year ending 28 February 2019.

N&T recorded an unaudited NPAT of approximately S\$0.64 million for the six months ended 31 August 2018. N&T currently has an order book of approximately S\$21.4 million (excluding materials procurement) to be delivered over the next 1 to 2 years.

ASCT intends to leverage on N&T's capabilities and track record to pursue accelerated growth via a two-pronged strategy under Singapore's Smart Nation Initiatives. The first is to immediately expand project scopes which N&T Group could undertake from materials procurement, system development, system integration to installation and maintenance. The second is to build resources for N&T Smart in supporting Smart FM.

Mr Teh Wing Kwan, Executive Chairman and Chief Executive Officer of ASCT, commented, "***The acquisition will enable us to potentially participate, operate, manage and fund specialised M&E projects of larger scale, in an integrated manner and under the smart city initiatives, jointly with N&T.***"

"Next is to structure an efficient commercial eco-system for us to be equipped with IoT and AI capabilities via strategic partnerships in supporting smart FM as tech-driven investments seem to have been accelerating in engineering sectors specifically for productivity improvement, predictive maintenance and communication efficiencies," added Mr. Teh.

Mr Ngian Teck Giok, Founder and CEO of the N&T Group, said, "**The transaction presents an essential platform for N&T to grow much faster jointly with a publicly listed company beyond our traditional sub-contracting model which we could effectively expand our scales of operations and improve our supply chain management; I have confidence to work with the board at the corporate level.**"

Singapore launched the Smart Nation Initiatives and established the Government Technology Agency ("GovTech") in its bid towards building on smart nation infrastructure, platforms and specialised services via effective information communications and related engineering technology. These efforts are expected to have significant impacts on the overall upgrade, upkeep, maintenance and operation costs budgets as may be allocated for the country's digital transformation initiatives.

ASCT announced its proposed business diversification plans on 7 November 2018 and the Proposed Acquisition is subject to Shareholders' approval to be first obtained at an EGM to be convened on 12 February 2019 for the proposed diversification.

- End -

About Advance SCT Limited (“the Company”)

On 19 June 2018, the Company announced the appointment of Mr. Teh Wing Kwan (“**Mr. Teh**”) as Non-Executive Chairman after he acquired some 28.7% equity interest in the Company. On 24 July 2018, Mr. Teh was appointed as Executive Chairman and Chief Executive Officer, with the key role to initiate corporate strategic reviews, set new business directions, lead in implementation of growth initiatives and execute new investment strategies. The Company has also appointed new independent directors.

The Company had previously announced that it would evaluate growth initiatives and implement new investment parameters, which may include business diversification strategies under the leadership of Mr. Teh. On 7 November 2018, the Company announced that it intends to diversify into the New Businesses of M&E and infrastructure engineering which could potentially provide technical solutions in supporting smart facilities management and smart city applications. Meanwhile, the Company also announced the proposed change of the Company name from “Advance SCT Limited” to “**CITICODE Ltd**” to more accurately reflect the Company’s strategic direction and potential new business activities moving forward.

The Company has been listed on the mainboard of the Singapore Exchange since 24 November 2004.

About N&T Engineering Enterprise Pte Ltd

N&T Engineering Enterprise Pte Ltd (“N&T” and together with its subsidiaries, the “N&T Group”) was incorporated in 1995 and is a Singapore-based Mechanical & Engineering (“M&E”) company specialising in design, customisation, operation, installation and maintenance of:

- i. Mission-Critical Facilities and Infrastructures (“MCFI”) – including but not limited to traffic control hub, roads and bridges, tunnels, aviation (terminals, air field and runway), telecommunication center and facilities, immigration and checkpoint facilities, data center, mass transit facilities, laboratories, hospitals, learning institutions and power substations.
- ii. Mission-Critical Systems (“MCS”) – including but not limited to tunnel plant monitoring control system, traffic surveillance and control system, railway electrical system, train communication system, tunnel radio rebroadcast break-in and communication system, tunnel ventilation system and dewatering system, security surveillance and detection system, public street lighting system, fiber optic network system and

N&T clients are mainly government agencies, government linked companies, multinational corporations and higher learning institutions. N&T is a registered firm with the Building & Construction Authority of Singapore (“BCA”) and Qualified Electrical Contractor (“QEC”) and is certified under ISO 9001, ISO 14001, OHSAS 18001 and bizSAFE Star.

N&T Smart was newly incorporated on 30 August 2018.

For more information, please visit <https://nt.com.sg>

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[\(Note: The Company is in the midst of updating its corporate website\)](#)

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