

**THE PROPOSED ACQUISITION OF SHARES IN
N&T ENGINEERING ENTERPRISE (PTE) LTD AND N&T SMART ENGINEERING (PTE) LTD.**

1. INTRODUCTION

1.1 The board of directors (the “**Directors**”) of Advance SCT Limited (the “**Company**” or “**ASCT**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a conditional sale and purchase agreement dated 29 January 2019 (the “**Agreement**”) with Ngian Teck Giok (“**NTG**”), Ngian Jin Shun (“**NJS**”) and Tan Kin Choo (“**TKC**”) (collectively, the “**Vendors**”) pursuant to which:

- (a) the Company shall acquire 760,033 ordinary shares in the capital of the N&T Engineering Enterprise (Pte) Ltd (“**N&T**”) from the Vendors, representing 40% of the issued share capital of the Target (the “**N&T Sale Shares**”) for an aggregate consideration of up to S\$3,500,000 (the “**Consideration**”) (the “**Proposed Acquisition**”); and
- (b) N&T shall transfer 1,000 ordinary shares in the capital of the N&T Smart Engineering (Pte.) Ltd. (“**N&T Smart**”), representing 100% of the issued share capital of N&T Smart (the “**N&T Smart Sale Shares**”) to the Company for a consideration of S\$1.00 upon completion of the Proposed Acquisition.

collectively, the (“**Proposed Transaction**”).

1.2 The Proposed Transaction constitutes a “Discloseable Transaction” under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Listing Manual**”). It is envisaged that the Proposed Transaction will change the nature of the business and existing risk profile of the Company. As such, the Completion of the Proposed Transaction is subject to, *inter alia*, the approval of Shareholders of the Company (“**Shareholders**”) being obtained at an extraordinary general meeting (the “**EGM**”) to be convened for the proposed diversification of the current core business of the Group to include the proposed mechanical & electrical (“**M&E**”) and infrastructure engineering business and the proposed smart M&E business (the “**New Businesses**”).

1.3 The circular and notice of EGM for the proposed diversification into the New Businesses have been dispatched to the Shareholders on 18 January 2019 for the EGM to be convened on 12 February 2019.

1.4 For the avoidance of doubt, one of the resolutions to be passed at the EGM on 12 February 2019 is to seek Shareholders’ approval for the proposed diversification into the New Businesses. Whilst the Proposed Transaction is not part of the resolutions to be approved at the EGM, the proposed diversification into the New Businesses must first be approved by the Shareholders at the EGM prior to the completion of the Proposed Transaction, being a condition precedent in the Agreement, among other things.

2. INFORMATION ON N&T AND N&T SMART (THE “TARGET GROUP”) AND THE VENDORS

2.1 Information on the Target Group

N&T is a company incorporated in Singapore and is the main operating company for the Target Group.

Please refer to Appendix A of this announcement for the group structure of the Target Group.

N&T, established in 1995, is one of the few Mechanical & Engineering (“**M&E**”) infrastructure system specialists in Singapore with an established track record in design, customisation, operation, installation and maintenance of:

- (i) Mission-Critical Facilities and Infrastructures (“**MCFI**”) – such as traffic control hub; roads and bridges; tunnels; aviation (terminals, air field and runway); telecommunication center and facilities; immigration & checkpoint facilities; data center; mass transit facilities; laboratories; hospitals; learning institutions; power substation; etc.
- (ii) Mission-Critical Systems (“**MCS**”) – such as 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; etc.; and
- (iii) Smart City System – by applying and integrating smart technologies and IoT into Mission-Critical Facilities and Infrastructure.

N&T’s 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 and has not commenced business since its incorporation..

As at the date of this announcement, N&T is 53.3%, 40% and 6.7% owned by the NTG, NJS and TKC, respectively whereas N&T Smart is currently 100% owned by N&T. Please refer to Section 2.2 for details of the Vendors and key management of N&T.

Based on the proforma unaudited consolidated financial statements of the Target Group, the net profit after tax after minority interest (“**NPAT**”) of the Target Group for the 6 months ended 31 August 2018 was approximately S\$0.64 million and the net tangible asset (“**NTA**”) of the Target Group as at 31 August 2018 was S\$2.71million, excluding the Properties (as defined below) which the Vendors shall remain as the legal owner.

The order books for the Target Group, which is to be delivered over the next 1 to 2 years is approximately S\$21.4 million.

2.2 Information on the Vendors

The details of the Vendors are as follows:

(a) *Ngian Teck Giok (“NTG”) – Vendor, Founder and CEO of N&T*

Ngian Teck Giok is the founder of N&T. As CEO of the N&T, NTG is responsible for overall operations and supply chain management of the business. NTG has more than 20 years of industrial experience in the M&E business, and specifically for MCFI and MCS. During the formative years of N&T, NTG led the N&T team from winning the first few term contracts for various town councils in Singapore to procuring other contracting works from the major government agencies, mainly for installation and maintenance contracts. He has successfully built N&T as a reliable contractor in the industry with proven project track records.

(b) *Ngian Jin Shun (“NJS”) – Vendor, Head of Operations of N&T*

Ngian Jin Shun is the son of NTG and TKC. NJS joined N&T in 2009 and is currently responsible for general management, resources deployment and projects coordination. NJS is also very familiar with the process of project tendering and biddings, including cost structure, projects management and materials procurement. NJS, specialises in power engineering and has a Bachelor of Electrical & Electronics Engineering (First Class Honours) degree and a Master of Science from the Nanyang Technological University of Singapore. NJS is a member of the Institution of Engineers Singapore, member of the Singapore Institution of Safety Officers, member of the Fire Safety Managers’ Association and a certified Workplace Safety and Health Officer and Fire Safety manager.

(c) *Tan Kin Choo (“TKC”) – Vendor, Administrative Manager of N&T*

TKC is the spouse of NTG. TKC joined NTG during the formative years of N&T during which she was responsible for general administrative matters for N&T. She is currently responsible for payroll management and job allocation schedules for workers.

None of the Vendors are related to the Company, its Directors or controlling shareholders of the Company, and their respective associates.

3. **RATIONALE AND BENEFITS OF THE PROPOSED TRANSACTION**

3.1 The Group’s existing business activities

The Group is currently principally engaged in the trading of exchange-regulated metal products (the “**Current Core Business**”). By leveraging on its past experience in the metal industry, the Group had previously increased its scalability of trading. Whilst the existing business models are scalable, many traders continue to grapple with pricing pressure as a result of market uncertainty, taking into account the prevailing macroeconomic conditions. The Group focuses in trading back-to-back orders with a quick turnaround time. The Group keeps minimum inventories for its trading business in order to minimise stock holding risk.

As part of the Board’s new corporate strategy to better position the Group for sustainable growth over a longer term across diverse economic conditions, the Company is and has been seeking and exploring opportunities in other businesses, including business diversification plans in its long-term growth strategy, with the priority of broadening the Group’s revenue stream so as to sustain its business, improve its financial performance and enhance Shareholders’ value.

3.2 New Management

As disclosed in the circular to Shareholders dated 18 January 2019 in relation to, inter alia, the proposed business diversification into the New Businesses (“**Proposed Diversification**”):

- (a) 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;
- (b) On 24 July 2018, Mr. Teh was appointed as Executive Chairman and Chief Executive Officer (“**CEO**”), 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 had also 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;
- (c) On 20 August 2018, the Company announced that it had entered into a non-binding letter of collaboration (the “**LOC**”) with the Tokyo-Stock Exchange listed Dai-Dan Co., Ltd and privately-owned N&T (collectively, the “**Parties**”). Please refer to Paragraph 2.3 of this Circular for further details on the LOC and the Parties;
- (d) On 7 November 2018, the Company announced the Proposed Diversification;
- (e) On 7 November 2018, the Company also announced the proposed change of the Company name from “Advance SCT Limited” to “CITICODE Ltd” (the “**Proposed Change of Name**”) to more accurately reflect the Company’s strategic direction and potential new business activities moving forward; and
- (f) On 18 January 2019, the Company dispatched the circular for the Proposed Diversification and the Proposed Change of Name and the notice of EGM to the Shareholders seeking approval of the Shareholders for the Proposed Diversification and the Proposed Change of Name at an EGM to be convened on 12 February 2019.

3.3 Strategic Plans

The Proposed Transaction would allow the Group to venture into a highly specialised smart M&E business (the “**Smart M&E Business**”) and could also potentially lead to strategic expansion plans for the Target Group jointly with the Company such that (i) the Target Group could undertake the highly specialised M&E projects in an integrated manner from system designs, materials procurement, upgrade and installation to system maintenance for MCFI and MCS; and (ii) it is intended that N&T Smart be expanded to evaluate and execute its key growth strategies jointly with N&T and other strategic partners focusing primarily in research and experimental development, including system development and system integration relying on integrated use of IoT and artificial intelligence in supporting Smart FM.

The Company believes that N&T’s track record in executing highly specialised M&E projects for MCFI and MCS will enable the business expansion plans for both N&T and N&T Smart in Singapore and potentially, in other countries in Asia. The systems and facilities under the scopes of M&E projects which the Company could potentially participate jointly with N&T include but are not limited to, traffic control hub, aviation (air field and runway), data centers, telecommunication , mass rapid transit , railway electrical control, train communication, tunnel plant monitoring , tunnel radio communication, security surveillance and public street lighting.

In addition, the Company and N&T have also been following on the major developments in the industry since the announcement of the Smart Nation initiatives and the establishment of GovTech by the Singapore Government towards building smart nation infrastructure, platforms and specialised services through information communications and related engineering technology. These efforts may involve upgrade, upkeep, installation and maintenance of related systems and facilities under the country's digital transformation initiatives.

The Directors are therefore of the view that the Proposed Transaction will enable the Company to venture into a highly specialised industry and could also strengthen the position of the Target Group under the Company's platform to evaluate and participate in potential major M&E projects under the Smart Nation Initiatives of Singapore. The Proposed Transaction will also minimise the reliance of the Company on its existing trading business and thus mitigating the exposure to the volatility of commodity prices.

Barring any unforeseen circumstance, the Directors are also of the view that the Proposed Transaction, if completed, may generate a sustainable revenue stream for the Group and represents a strategic diversification strategy for the Company towards improving its financial performance and position over a longer term.

4. THE PROPOSED TRANSACTION

4.1 Consideration for the Proposed Acquisition

The Company and the Vendors have agreed that the aggregate consideration of **S\$3,500,000** for the Proposed Acquisition shall be payable in two (2) tranches to the Vendors in accordance with their proportion of shareholding in N&T in the following manner:

- (a) on the completion date of the Proposed Acquisition (the "**Completion Date**"), the amount of **S\$2,800,000** shall be paid to the Vendors by way of an allotment and issue of an aggregate of **2,800,000,000** ordinary shares in the issued and paid up capital of the Company (the "**Consideration Shares**") at an issue price of S\$0.001 (the "**Issue Price**") per Consideration Share (the "**Initial Consideration**"); and
- (b) subject to the net profit after taxation of N&T ("**N&T NPAT**") for the financial year commencing 1 March and ending 28 February or 29 February (as the case may be) ("**FY**") 2019 being equal to or more than **S\$1,200,000** ("**N&T NPAT for FY2019**"), the amount of **S\$700,000** shall be paid to the Vendors by way of an allotment and issue of an aggregate of **700,000,000** Consideration Shares at the Issue Price for each Consideration Share in accordance with their proportion of shareholding in N&T (the "**Deferred Consideration**") within two (2) months from the date of the audited financial statements of the Target Group for FY2019.

For the avoidance of doubt, there is no profit guarantee provided by the Vendors to the Company in connection with the Proposed Acquisition as Deferred Consideration will only be paid to the Vendors proportionately upon the achievement of the N&T NPAT for FY2019. Specifically, if the N&T NPAT for FY2019 is less than S\$1,200,000, the Deferred Consideration shall be adjusted proportionately. In the event that the N&T NPAT for FY2019 is more than S\$1,200,000, the Deferred Consideration payable to the Vendors shall be capped at S\$1,200,000.

The Issue Price is equivalent to the volume weighted average price (the "**VWAP**") of S\$0.001 of the Shares for trades done on the SGX-ST on 23 January 2019 (being the last full market day on which the Shares were traded prior to the date the Agreement was signed).

The Consideration Shares:

- (a) to be issued in respect of the Initial Consideration represent approximately 6.78% of the existing issued share capital of the Company as at the date of this announcement and 6.35% of the enlarged share capital of the Company on the completion of the Proposed Acquisition; and
- (b) to be issued in respect of the Initial Consideration and the Deferred Consideration, represent approximately 8.47% of the existing issued share capital of the Company as at the date of this announcement and 7.81% of the enlarged share capital of the Company on the completion of the Proposed Acquisition.

The Consideration was arrived at on a willing-buyer and willing-seller basis after arm's length negotiations and after taking into account, *inter alia*, the industry prospects, those factors listed in paragraph 3 above, and the independent valuation conducted by RSM Corporate Advisory Pte Ltd with an estimated indicative valuation range of S\$2.8 million to S\$4.1 million for 40% share capital of the Target Group based on market approach.

The Consideration Shares shall be allotted and issued by the Company free from encumbrances, 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 of which falls on or prior to the date of issue and allotment of the Consideration Shares.

It is further noted that notwithstanding the Company's obligation to pay the Deferred Consideration which may arise in accordance with the terms of the Agreement, as of the Completion Date, all legal and beneficial title in and to all of the N&T Sale Shares and the N&T Smart Sale Shares shall vest in the Company, free from all Encumbrances.

4.2 Consideration for N&T Smart Sale Shares

On the Completion Date, the Vendors shall procure that N&T transfer 1,000 ordinary shares in the capital of the N&T Smart, representing 100% of the issued share capital of N&T Smart to the Company for a consideration of S\$1.00. N&T Smart has not commenced business since its incorporation in August 2018.

4.3 Conditions Precedent

Completion of the Proposed Transaction shall be conditional upon the following conditions precedent (the "**Conditions**") having been fulfilled (or waived by the parties to the Agreement (the "**Parties**"), if capable of being waived):

- (a) the Company obtaining such approval(s) from its board of Directors, its Shareholders (if applicable) and/or the SGX-ST (and any other regulatory authority) in connection with the Proposed Diversification, as may be necessary;
- (b) the Company receiving the approval in-principle from the SGX-ST for the listing and quotation of the Consideration Shares on the Official List of the Main Board of the SGX-ST, and such approval not having been amended or revoked before the Completion Date, and if such approval is subject to conditions, such conditions being acceptable to the Purchaser in its absolute discretion and being fulfilled on or before the Completion Date;
- (c) the Vendors obtaining such approval(s) from the board of directors and/or shareholders of N&T (if applicable) in connection with the Agreement and the transactions contemplated herein as may be necessary;

- (d) the Vendors shall procure that N&T obtains such approval(s) from the board of directors and/or shareholders of N&T Smart (if applicable) in connection with this Agreement and the transactions contemplated herein as may be necessary;
- (e) the Company and the Vendors entering into a letter of understanding (the “**Letter of Understanding**”) after the execution of the Agreement in relation to the Parties’ rights to the properties located at 53 Ubi Avenue 1, #03-48, Paya Ubi Industrial Park, Singapore 408934 (“**Property 1**”) and 10 Ubi Crescent, #01-60, Ubi Techpark, Singapore 408564 (“**Property 2**”) (collectively, the “**Properties**”). The Letter of Understanding shall provide, among other things, that the Vendors shall (i) continue to be entitled to the entire economic interest relating to the Properties after Completion that the Vendors shall remain as the legal owner of the Properties and shall transfer the legal title of the Properties at their sole discretion; and (ii) continue to be responsible for all liabilities (including any contingent and unrecorded liabilities) relating to the Properties on a joint and several basis after Completion; and
- (f) the Company being reasonably satisfied with the results of the legal, financial, and tax due diligence to be carried out by the Purchaser and/or its professional advisers on N&T, N&T Smart and their businesses (the “**Due Diligence**”).

4.3 Post Completion covenants and undertakings

4.3.1 Moratorium

Pursuant to the Agreement, each of the Vendors had agreed that he or she shall not, among others, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate or encumber or otherwise transfer, assign, dispose or realise, directly or indirectly:

- (a) any of his or her Consideration Shares allotted and issued to him/her in satisfaction of the Initial Consideration and/or the Deferred Consideration within twelve (12) months from the date of allotment and issuance of the relevant Consideration Shares, as the case may be; and
- (b) more than 50% of the Consideration Shares allotted and issued to him/her in satisfaction of the Initial Consideration and/or the Deferred Consideration within 24 months from the date of allotment and issuance of the relevant Consideration Shares, as the case may be.

4.3.2 Right of first refusal

Pursuant to the Agreement:

- (a) each of the Vendors had granted to the Company a right of first refusal in respect of his/her shares in N&T; and
- (b) the Company had granted to the Vendors a right of first refusal in respect of the N&T Sale Shares held by the Company.

5. RELATIVE FIGURES UNDER RULE 1006

The relative figures in respect of the Proposed Transaction, as computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST (the “Listing Manual”), are as follows:

Bases in Rule 1006		
		S\$'000
(a)	Net asset value of the assets to be disposed	Not applicable ⁽¹⁾
	Net asset value of the Group	-
	Size of relative figure	-
(b)	Net profits/(losses) ⁽²⁾ attributable to the Proposed Transaction (S\$'000)	340 ⁽³⁾
	Net profits/(losses) of the Group (S\$'000)	(78) ⁽⁴⁾
	Size of relative figure	Not Meaningful ⁽⁵⁾
(c)	Aggregate value of the consideration (S\$'000) (assuming that the Consideration is paid to the Vendors in full)	3,500 ⁽⁷⁾
	Market capitalisation ⁽⁵⁾ of the Company (S\$'000)	41,317
	Size of relative figure	8.47%
(d)	Number of equity securities issued for the Proposed Transaction (comprising the Consideration Shares)	3,500,000,000 ⁽⁶⁾
	Number of shares of the Company in issue	41,316,907,761
	Size of relative figure	8.47%

Notes:

- (1) This is not applicable to an acquisition of assets.
- (2) “Net profits/(losses)” means profit or loss before income tax, minority interests and extraordinary items.
- (3) Based on 40% of the estimated unaudited net profits attributable to N&T for 9 months ended 30 November 2018 (assuming that there were no significance differences compared to that for 9 months ended 30 September 2018). N&T Smart was incorporated on 30 August 2018 and has not commenced business since its incorporation.
- (4) Based on the unaudited consolidated financial statements of the Company for the 9 months ended 30 September 2018.
- (5) The computed ratio is not meaningful as the Group made a net loss of S\$0.078 million for the 9 months ended 30 September 2018 comparing to a 40% share of an estimated unaudited net profit of the Target Group of up to S\$0.34 million for the 9 months ended 30 November 2018.
- (6) Based on the number of issued shares of the Company and share price of \$0.001 as at 23 January 2019 (being the last full market day on which the Shares were traded prior to the date the Agreement was signed).
- (7) Based on total consideration payable (including Initial Consideration and Deferred Consideration).

As the relative figures computed on the bases set out in Rules 1006(c) and Rule 1006(d) exceeds 5% but does not exceed 20%, the Proposed Transaction constitutes a discloseable transaction as defined under Chapter 10 of the Listing Manual. However, it is envisaged that the Proposed Transaction will change the nature of the business and existing risk profile of the Company. Accordingly, one of the Conditions Precedent for Completion of the Proposed Transaction is subject to the approval by Shareholders to be first obtained for the Proposed Diversification at the EGM to be convened on 12 February 2019.

6. FINANCIAL EFFECTS

The pro forma financial effects of the Proposed Transaction on earnings per share (“EPS”), net asset value (“NAV”) and net tangible assets (“NTA”) set out below have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2017 (“FY2017”) and the unaudited consolidated financial statements of the Group for the 6 months ended 31 August 2018 (“1H2018”).

The pro forma financial effects are only presented for illustration purposes, and are not intended to reflect the actual future financial situation of the Group after completion of the Proposed Transaction.

6.1 EPS

The proforma net profit after tax attributable to the owners of the Company used for the computation of below EPS (after the Proposed Transaction) for FY2017 and 1H2018 (“**Proforma NPAT**”) excludes the financial effects of:

- (i) NPAT target for N&T of S\$1.2 million for the financial year ending February 2019 (“**NPAT Target for N&T**”); and
- (ii) issuance of potential dilutive shares to the Vendors which is contingent upon achievement of NPAT Target for N&T.

(a) Proforma EPS for FY2017

Assuming that the Proposed Transaction has been completed on 1 January 2017, the effect on EPS of the Group for FY2017 will be as follows:

	Before the Proposed Transaction	After the Proposed Transaction
Net profit after tax attributable to the owners of the Company (\$'000)	1,508	1,709
Weighted Average Number of Shares ('000)	14,942,564	17,742,564 ⁽²⁾
EPS (cents)	0.0101 ⁽³⁾	0.0096 ⁽³⁾

Notes:

- (1) The EPS of the Company has been computed based on 40% of the audited NPAT of approximately S\$503,000 for N&T for the year ended 28 February 2018. It is further assumed that there was no significant difference in NPAT for N&T for FY2017 compared to that for the year ended 28 February 2018;
- (2) Including Initial Consideration of 2,800,000,000 Consideration Shares; and
- (3) The NPAT of the Company for FY2017 included a non-recurring other income of approximately S\$842,000. Excluding the non-recurring other income for FY2017, the basic EPS for FY2017 computed under “Before the Proposed Acquisition” and “After the Proposed Acquisition” would have been approximately **0.0045** cents and **0.0049** cents, respectively instead of 0.0101 cents and 0.0096 cents, respectively.

(b) *Proforma EPS for 1H2018*

Assuming that the Proposed Transaction has been completed on 1 January 2018, the effect on the EPS of the Group for 1H2018 will be as follows:

	Before the Proposed Transaction	After the Proposed Transaction
Net Profit after tax attributable to the owners of the Company (S\$'000)	158	412
Weighted Average Number of Shares ('000)	41,316,908	44,116,908 ⁽²⁾
EPS (cents)	0.00038	0.00093

Notes:

(1) *EPS of the Company has been computed based on 40% of the unaudited NPAT of approximately S\$636,000 for N&T for the 6 months ended 31 August 2018. It is further assumed that there was no significant difference in NPAT for N&T for 1H2018 compared to that of 6 months ended 31 August 2018; and*

(2) *Including Initial Consideration of 2,800,000,000 Consideration Shares.*

6.2 NAV

The proforma NAV used for the computation of below NAV per share (after the Proposed Transaction) as at 31 December 2017 and 30 June 2018 ("**Proforma NAV per share**") excludes the financial effects of

- (i) NPAT Target for N&T Group; and
- (ii) issuance of potential dilutive shares to the Vendors which is contingent upon achievement of NPAT Target for N&T Group.

(a) *Proforma NAV as at 31 December 2017*

Assuming that the Proposed Transaction has been completed on 31 December 2017, the effect on the NAV per share of the Group will be as follows:

	Before the Proposed Transaction	After the Proposed Transaction
NAV (S\$'000)	(12,789)	(9,989) ⁽¹⁾
Number of Shares ('000)	14,942,564	17,742,564
NAV per Share (cents)	(0.086)	(0.056)

Notes:

(1) *the financial effects on NAV have been prepared based on the following:*

- (a) *40% of the audited NTA of N&T as at 28 February 2018 (assuming that there was no significant difference in the NTA of N&T as at 31 December 2017 compared to that as at 28 February 2018);*
- (b) *after accounting for issuance of 2,800,000,000 Consideration Shares; and*
- (c) *excluding the carrying value (net of bank loans) of the Properties, which the Vendors shall be entitled to the full economic interest after the Completion in accordance with the Letter of Understanding.*

(b) *Proforma NAV as at 30 June 2018*

Assuming that the Proposed Transaction had been completed on 30 June 2018, the effect on the NAV per share of the Group will be as follows:

	Before the Proposed Transaction	After the Proposed Transaction
NAV (S\$'000)	238	3,038 ⁽¹⁾
Number of Shares ('000)	41,316,908	44,116,908
NAV per Share (cents)	0.0006	0.0069

Notes:

(1) *the financial effects on NAV have been prepared based on the following:*

- (a) *40% of the un-audited NTA of N&T as at 31 August 2018 (assuming that there was no significant difference in the NTA of N&T as at 30 June 2018 compared to that as at 31 August 2018);*
- (b) *after accounting for issuance of 2,800,000,000 Consideration Shares; and*
- (c) *excluding the carrying value (net of bank loans) of the Properties, which the Vendors shall be entitled to the full economic interest after the Completion in accordance with the Letter of Understanding.*

6.3 Proforma NTA

The proforma NTA used for the computation of below NTA per share (after the Proposed Transaction) as at 31 December 2017 and 30 June 2018 ("**Proforma NTA per share**") excludes the financial effects of

- (i) NPAT Target for N&T Group; and
- (ii) issuance of potential dilutive shares to the Vendors which is contingent upon achievement of NPAT Target for N&T Group.

(a) *Proforma NTA as at 31 December 2017*

Assuming that the Proposed Transaction has been completed on 31 December 2017, the effect on the NTA per share of the Group will be as follows:

	Before the Proposed Transaction	After the Proposed Transaction
NTA (S\$'000)	(12,789)	(12,017) ⁽¹⁾
Number of Shares ('000)	14,942,564	17,742,564
NTA per Share (cents)	(0.086)	(0.068)

Notes:

(1) *the financial effects on NTA have been prepared based on the following:*

- (a) *40% of the audited NTA of N&T as at 28 February 2018 (assuming that there was no significant difference in the NTA of N&T as at 31 December 2017 compared to that as at 28 February 2018);*
- (b) *after accounting for issuance of 2,800,000,000 Consideration Shares; and*

(c) *excluding the carrying value (net of bank loans) of the Properties, which the Vendors shall be entitled to the full economic interest after the Completion in accordance with the Letter of Understanding.*

(b) *Proforma NTA as at 30 June 2018*

Assuming that the Proposed Transaction has been completed on 30 June 2018, the effect on the NTA per share of the Group will be as follows:

	Before the Proposed Transaction	After the Proposed Transaction
NTA (S\$'000)	238	1,322 ⁽¹⁾
Number of Shares ('000)	41,316,908	44,116,908
NTA per Share (cents)	0.0006	0.0030

Notes:

(1) *the financial effects on NTA have been prepared based on the following:*

(a) *40% of the un-audited NTA of N&T as at 31 August 2018 (assuming that there was no significant difference in the NTA of N&T as at 30 June 2018 compared to that as at 31 August 2018);*

(b) *after accounting for issuance of 2,800,000,000 Consideration Shares; and*

(c) *excluding the carrying value (net of bank loans) of the Properties, which the Vendors shall be entitled to the full economic interest after the Completion in accordance with the Letter of Understanding.*

7. OTHER INFORMATION

7.2 Source of Funds

The Company will be issuing new shares in satisfaction of the Consideration in relation to the Proposed Acquisition and there will only be a cash consideration of S\$1 payable in relation to the transfer of N&T Smart Sale Shares.

7.3 Application to the SGX-ST

The Company will be making an application to the SGX-ST for the listing of and quotation of the Consideration Shares on the Main Board of the SGX-ST.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement and the valuation report prepared by RSM Corporate Advisory Pte Ltd will be made available for inspection during normal business hours at the Company's registered office for a period of three (3) months from the date of this announcement.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has, any interest, direct or indirect, in the Proposed Transaction, other than through their respective shareholdings in the Company

10. FURTHER INFORMATION AND ACTION BY SHAREHOLDERS

A circular in respect of the Proposed Diversification and containing information in connection with, amongst others, the change in the nature of the business and risk profile of the Company arising from the Proposed Transaction has been despatched to the Shareholders on 18 January 2019. The Company will make further announcements relating to the Proposed Transaction as and when necessary.

As there is no assurance that the aforementioned transactions will be completed, Shareholders are advised to refrain from taking any action which may be prejudicial to their interests before seeking advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisers (as appropriate).

By Order of the Board
ADVANCE SCT LIMITED

Teh Wing Kwan
Executive Chairman and Chief Executive Officer

29 January 2019

APPENDIX A

Organisational Structure of N&T Group

