



ADVANCER GLOBAL LIMITED

(Company Registration No. 201602681W)
(Incorporated in the Republic of Singapore)

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- (1) **PROPOSED ACQUISITION OF 20.1% STAKE IN CHIANG KIONG GROUP**
(2) **STATUS OF USE OF NET PLACEMENT PROCEEDS**
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Proposed Acquisition

The Board of Directors (the “**Board**”) of Advancer Global Limited (the “**Company**”, and together with its subsidiaries, collectively, the “**Group**”) wishes to announce that the Group has entered into a strategic joint venture with TEE International Limited (“**TEE International**”) and an independent third party financial investor (“**Investor**”) to acquire all the shares of Chiang Kiong Environmental Pte. Ltd. (which in turn wholly owns Chiang Kiong Resources (Paper) Pte. Ltd.) and Envotek Engineering Pte. Ltd. (collectively the “**Chiang Kiong Group**”) for the aggregate consideration of S\$18,500,000 (the “**Acquisition**”). The shares of Chiang Kiong Group will be acquired from Messrs Tan Chin Kiong and Tan Chiang Leong (the “**Vendors**”). The Vendors are independent third parties and are not related to any director, officer or controlling shareholder of the Company.

Information of Chiang Kiong Group

Details of Chiang Kiong Group are set out below:

- | | | |
|-------|----------------------------|---|
| (i) | Company Name | : Chiang Kiong Environmental Pte. Ltd. (“ CK Environmental ”) |
| | Issued and paid-up capital | : S\$3,000,000 divided into 3,000,000 fully paid-up ordinary shares |
| | Principal Activities | : Provision of commercial and industrial real estate management and recycling of metal waste and scrap |
| (ii) | Company Name | : Chiang Kiong Resources (Paper) Pte. Ltd. (“ CK Resources ”), a wholly-owned subsidiary of CK Environmental |
| | Issued and paid-up capital | : S\$3,000 divided into 3,000 fully paid-up ordinary shares |
| | Principal Activities | : Provision of collection and recycling of waste and scrap |
| (iii) | Company Name | : Envotek Engineering Pte. Ltd. (“ Envotek ”) |
| | Issued and paid-up capital | : S\$10,000 divided into 10,000 fully paid-up ordinary shares |
| | Principal Activities | : Provision of installation, repair and maintenance of machinery and equipment used for waste management |

CK Environmental and CK Resources have been established since 1996 and are one of Singapore’s leading industrial and commercial environmental service providers for waste management, recycling and environmental solutions facilities. Amassing over 20 years of experience in both the private and public sector, they offer a wide range of customisable services, from cleaning, collection, transportation, disposal management to recycling capabilities. Boasting a committed team of over 400 individuals, a 500-strong fleet of state-of-the-art equipment, as well as an in-house engineering arm, CK Environmental

and CK Resources are dedicated and effectively equipped to push the boundaries of technology and service to become one of the most efficient, accessible and advanced service providers in Singapore's waste management sector.

Envotek was incorporated in Singapore in 2012 and is a fully integrated engineering company offering top of the line waste management products and services that are complementary to the businesses of CK Environmental and CK Resources.

Purchase Consideration and Use of Placement Proceeds

In connection with the Acquisition, the Company (through its wholly-owned subsidiary, Advancer Global Facility Pte. Ltd.), TEE International (through its wholly-owned subsidiary, TEE Infrastructure Private Limited) and the Investor will incorporate a joint venture company ("**JV Co**"), to hold the shares of Chiang Kiong Group on completion of the Acquisition, which is expected to take place on or about 29 December 2017.

The Company, TEE International and the Investor have collectively paid 10% of the aggregate consideration to the Vendors upon the entering into the joint venture, with the balance 90% payable on completion.

Following the completion of the Acquisition, the Company will have an interest of 20.1% in the JV Co, and would have paid in aggregate, a proportionate S\$3,718,500 (of which 10% has been paid to date and the remaining 90% shall be paid on completion) for its 20.1% effective stake in Chiang Kiong Group (the "**Consideration**"). TEE International will have a majority stake of 50.1% and the Investor will have the remaining balance of 29.8%. The Consideration will be satisfied by way of cash and funded via proceeds raised from the placement issue that was completed on 17 May 2017 ("**Net Placement Proceeds**") as well as internal resources.

The Acquisition consideration was arrived at after arm's length negotiation between parties on a willing buyer willing seller basis, taking into account, inter alia, the customer base, net asset value and financial track records of Chiang Kiong Group as well as its future growth potential.

The above use of the Net Placement Proceeds is in accordance with the use of proceeds from the Placement as stated in the announcement dated 2 May 2017. Following the payment of the first 10% of the Consideration (being S\$371,850) made by the Company, the status of utilization of the Net Placement Proceeds is as follows:

	Amount allocated (S\$' million)	Amount utilized (S\$' million)	Balance (S\$' million)
Expansion of business operations	3.62	(0.94)	2.68
General corporate and working capital Purposes	1.20	(0.68)	0.52
	4.82	(1.62)	3.20

Note:

(a) Breakdown of the general and corporate working capital requirements:

	S\$'000
Professional and listing related expenses	486
Administrative expenses –staff cost	179
Administrative expenses- others	14
	679

The Company will make further announcements when the remaining 90% of the Consideration is paid and the Net Placement Proceeds is materially disbursed. There are no material conditions attached to the Acquisition.

Rationale

The Acquisition will enhance the Group's value proposition and is in line with the Group's plan to expand its range of services within its Building Management Services division. The Group currently offers cleaning and stewarding services to commercial properties, hospitals, hotels/resorts, shopping malls, F&B outlets, private clubs, educational institutions, external facade and private residences. Taking into consideration the reputation, track record and experience of Chiang Kiong Group, the Board is of the view that the Acquisition would provide a larger skilled workforce and expertise for the Group to expand its market share of cleaning business in Singapore. The Acquisition also represents a vertical expansion into a different aspect of waste management, being the recycling of waste and scrap, which is synergistic to the Group's current offerings.

Relative Figures Under Chapter 10 of the Catalist Rules

The relative figures for the Acquisition pursuant to Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), based on the Company's latest announced unaudited consolidated financial statements for the first six-month financial period ended 30 June 2017 ("**HY2017**"), are as follows:

	Basis of Calculation	Acquisition
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value ⁽¹⁾	Not applicable
(b)	The net profits attributable to the assets acquired ⁽²⁾ or disposed of, compared with the group's net profits	25.4% ⁽³⁾⁽⁴⁾
(c)	The aggregate value of the consideration ⁽⁶⁾ given or received, compared with the Company's market capitalisation ⁽⁵⁾ based on the total number of issued shares excluding treasury shares	6.3%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue ⁽¹⁾	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets ⁽¹⁾	Not applicable

Notes:

- (1) This basis is not applicable to the Acquisition.
- (2) Pursuant to Rule 1002(3) (b) of the Catalist Rules, "net profits" is defined as profits before income tax, minority interests, and extraordinary items.
- (3) The net profit attributable to Chiang Kiong Group for the 6-month period ended 30 June 2017 is S\$3,286,161, which is made up of net profit attributable to CK Environmental, CK Resources and Envotek of S\$2,094,857, S\$1,134,898 and S\$56,406 respectively. Following the Acquisition, Chiang Kiong Group will become indirect associates of the Company. Accordingly, the Group will share 20.1% of the net profit attributable to Chiang Kiong Group amounting to S\$660,518 for the 6-month period ended 30 June 2017.

- (4) The net profits of the Group for HY2017 amounted to approximately S\$2,599,000.
- (5) The market capitalization of the Company amounting to S\$59,470,930 is determined by multiplying the number of issued shares, being 185,672,589 shares, by the volume weighted average price of such shares transacted on 16 November 2017 of S\$0.3203 per share (being the last market day preceding the date of entering into the joint venture on 17 November 2017).
- (6) The aggregate value of Consideration is S\$3,718,000.

As the aggregate relative figures calculated under Rule 1006(c) of the Catalist Rules exceeds 5% but does not exceed 75%, the Acquisition constitutes a disclosable transaction as defined under Chapter 10 of the Catalist Rules. Accordingly, the Company is not required to seek shareholders' approval for the Acquisition.

Financial Effects

The proforma financial effects of the Acquisition on the net tangible assets ("**NTA**") per share and earnings per share ("**EPS**") of the Group as set out below are purely for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Acquisition. The financial effects of the Acquisition set out below have been prepared based on the Group's audited consolidated financial statements for the financial year ended 31 December 2016 ("**FY2016**"), the audited consolidated financial statements of CK Environmental and CK Resources for FY2016 and Envotek's unaudited financial statements for the 11 months ended 31 December 2016 (due to the change of financial year end of Envotek from 31 January to 31 December).

EPS

The proforma financial effects of the Acquisition on the EPS of the Group for FY2016, assuming that the Acquisition had been effected at the beginning of FY2016, are summarized below:

EPS	Before the Acquisition	After the Acquisition
Profits attributable to owners of the Company ⁽¹⁾ (S\$'000)	2,675	3,272
Weighted average number of issued shares ⁽²⁾	173,172,589	173,172,589
Basic and diluted EPS (cents)	1.54	1.89

Notes:

- (1) Represents net profits after tax and minority interests.
- (2) Based on the number of ordinary shares issued as at 31 December 2016.

NTA per share

The proforma financial effects of the Acquisition on the NTA per share of the Group for FY2016, assuming that the Acquisition had been effected as at 31 December 2016, are summarized below:

NTA	Before the Acquisition	After the Acquisition
Consolidated NTA ⁽¹⁾ (S\$'000)	11,255	11,255
Number of issued shares ⁽²⁾	173,172,589	173,172,589
Consolidated NTA per share (cents)	6.50	6.50

Notes:

- (1) Represents consolidated NTA excluding minority interests and intangible assets.
- (2) Based on the number of ordinary shares issued as at 31 December 2016.

Other Financial Information

Based on the audited consolidated full year financial statements for CK Environmental and CK Resources for the financial year ended 31 December 2016, the net profit attributable to CK Environmental and CK Resources was approximately S\$2,360,974. The net tangible asset value of CK Environmental and CK Resources as at 31 December 2016 was approximately S\$15,387,352.

Based on the unaudited 11 months financial statements for Envotek for the financial year ended 31 December 2016, the profit attributable to Envotek was approximately S\$607,842. The net tangible asset value of Envotek as at 31 December 2016 was approximately S\$587,720.

Details of service contracts of proposed director(s)

No directors are proposed to be appointed to the Company pursuant to the Acquisition.

Interests of Directors and Controlling Shareholders of the Company

None of the directors or controlling shareholders of the Company has any direct or indirect interest in the Acquisition, other than through their respective shareholdings in the Company.

Documents for Inspection

Copies of the agreement between the Company, TEE International and the Investor dated 17 November 2017 and other relevant documents will be made available for inspection at the registered office of the Company at 135 Jurong Gateway Road, #05-317, Singapore 600135 during normal business hours for a period of 3 months from the date of this announcement.

BY ORDER OF THE BOARD

Chin Mei Yang
Chief Executive Officer and Executive Director

20 November 2017

*This announcement has been prepared by Advancer Global Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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