



ADVANCER GLOBAL LIMITED

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

UNAUDITED FINANCIAL STATEMENT FOR THE HALF-YEAR ENDED 30 JUNE 2016

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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Background

Advancer Global Limited (the “**Company**”) was incorporated in Singapore on 2 February 2016 under the Companies Act (Chapter 50) of Singapore as an investment holding private company limited by shares, under the name of “Advancer Global Pte. Ltd.”. On 6 June 2016, the Company was converted into a public limited company and its name was changed to “Advancer Global Limited”. The Company was listed on the Catalist Board (“**Catalist**”) of the SGX-ST on 11 July 2016.

The group comprising the Company and its subsidiaries (the “**Group**”) was formed pursuant to a corporate reorganisation exercise (the “**Restructuring Exercise**”) for the purpose of the Company’s listing on Catalist. Please refer to the Company’s Offer Document dated 30 June 2016 for further details on the Restructuring Exercise. The Group is an established and diverse integrated services provider offering workforce solutions and services in Singapore through its Employment Services Business, its Cleaning and Stewarding Business and its Security Services Business.

For the purpose of this announcement, the financial results of the Group for the half-year ended 30 June 2016 (“**HY2016**”) and the comparative financial results of the Group for the half-year ended 30 June 2015 (“**HY2015**”) have been prepared on the assumption that the Group’s structure, following the completion of the Restructuring Exercise has been in place since 1 January 2015.

PART I: INFORMATION REQUIRED FOR QUARTERLY (1Q, 2Q & 3Q), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a)(i) An income statement and statement of comprehensive income , or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Group | | Increase/ (Decrease) % |
|--|--------------|--------------|------------------------------|
| | HY2016 | HY2015 | |
| | S\$'000 | S\$'000 | |
| Revenue | 23,231 | 20,994 | 10.7 |
| Cost of services | (17,305) | (15,591) | 11.0 |
| Gross profit | <u>5,926</u> | <u>5,403</u> | 9.7 |
| Other operating income | 1,537 | 1,405 | 9.4 |
| Administrative expenses | (5,332) | (4,379) | 21.8 |
| Finance expenses | (49) | (44) | 11.4 |
| Profit before income tax | 2,082 | 2,385 | (12.7) |
| Income tax expense | (145) | (115) | 26.1 |
| Profit for the financial period, representing total comprehensive income for the financial period | <u>1,937</u> | <u>2,270</u> | (14.7) |
| Profit attributable to: | | | |
| Owners of the Company | 1,909 | 2,250 | (15.2) |
| Non-controlling interests | 28 | 20 | 40.0 |
| | <u>1,937</u> | <u>2,270</u> | (14.7) |

- 1(a)(ii) Notes to the income statement or statement of comprehensive income

Profit for the financial period is arrived at after (charging)/crediting the following:

| | Group | | Increase/ (Decrease) % |
|---|-----------|-------------|------------------------------|
| | HY2016 | HY2015 | |
| | S\$'000 | S\$'000 | |
| Amortisation of intangible asset | (43) | (115) | (62.6) |
| Bad debts recovered | - | 5 | N/M |
| Depreciation of property, plant and equipment | (128) | (99) | 29.3 |
| Gain on bargain purchase arising from acquisition | - | 164 | N/M |
| Government credit schemes and government grants | 1,275 | 761 | 67.5 |
| Interest income from advances to subcontractors | 7 | 10 | (30.0) |
| IPO expenses | (681) | (107) | 536.4 |
| Interest expenses on borrowings | (38) | (42) | (9.5) |
| Interest expenses on finance leases | (11) | (2) | 450.0 |
| (Loss)/Gain on disposal of property, plant and equipment, net | (9) | 384 | N/M |
| (Loss)/Gain on property, plant and equipment written-off | (8) | 2 | N/M |
| Under/(Over) provision of tax in prior years | <u>39</u> | <u>(16)</u> | N/M |

N/M – Not meaningful

1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year

| | Group | | Company | |
|---|----------------------------|----------------------------|----------------------------|---|
| | As at | | As at | |
| | 30-Jun- 2016 S\$'000 | 31-Dec- 2015 S\$'000 | 30-Jun- 2016 S\$'000 | 31-Dec- 2015 ⁽¹⁾ S\$'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Investments in subsidiaries | - | - | 4,821 | - |
| Goodwill | 33 | 33 | - | - |
| Intangible asset | 43 | 86 | - | - |
| Property, plant and equipment | 1,160 | 587 | - | - |
| Deferred tax assets | 79 | 36 | - | - |
| Total non-current assets | 1,315 | 742 | 4,821 | - |
| Current assets | | | | |
| Trade and other receivables | 8,072 | 7,266 | 1,900 | - |
| Cash and bank balances | 3,177 | 4,584 | - | - |
| Total current assets | 11,249 | 11,850 | 1,900 | - |
| Total assets | 12,564 | 12,592 | 6,721 | - |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 4,821 | 1,405 | 4,821 | - |
| Reserve | (2,603) | 813 | - | - |
| Retained earnings | 4,001 | 2,692 | 320 | - |
| Equity attributable to the owners of the Company | 6,219 | 4,910 | 5,141 | - |
| Non-controlling interests | 95 | 67 | - | - |
| Total equity | 6,314 | 4,977 | 5,141 | - |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 18 | 33 | - | - |
| Deposits payables | 4 | - | - | - |
| Finance lease payables | 561 | 220 | - | - |
| Total non-current liabilities | 583 | 253 | - | - |
| Current liabilities | | | | |
| Trade and other payables | 4,540 | 5,797 | 1,580 | - |
| Bank borrowings | 658 | 944 | - | - |
| Finance lease payables | 92 | 36 | - | - |
| Income tax payable | 377 | 585 | - | - |
| Total current liabilities | 5,667 | 7,362 | 1,580 | - |
| Total liabilities | 6,250 | 7,615 | 1,580 | - |
| Total equity and liabilities | 12,564 | 12,592 | 6,721 | - |

Note:

- (1) There are no comparative figures at the Company level as at 31 December 2015 as the Company was incorporated on 2 February 2016.

- 1(b)(ii) In relation to the aggregate amount of the group's borrowings and debts securities, specify the following at the end of the financial period reported on with comparative figures at the end of the immediately preceding financial year

| | 30-Jun-2016 | | 31-Dec-2015 | |
|--|--------------------|----------------------|--------------------|----------------------|
| | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| Amount repayable in one year or less, or on demand | 655 | 95 | 800 | 180 |
| Amount repayable after one year | 561 | - | 220 | - |
| Total borrowings | <u>1,216</u> | <u>95</u> | <u>1,020</u> | <u>180</u> |

Details of collaterals

The Group's borrowings are secured by:

- (i) Account receivables of a subsidiary;
- (ii) Personal guarantees by Chin Mei Yang (a Director of the Company), Chin Mui Hiong (a Director of the Company), Chin Swee Siew @ Chen Yin Siew, Chin Chwee Hwa and Ong Eng Tiang (a Director of the Company). Each of the personal guarantors did not receive any benefits in kind, commission or interest payments from the Group for providing these personal guarantees; and
- (iii) Motor vehicles under finance leases.

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

| | Group | |
|---|-------------------|-------------------|
| | HY2016 S\$'000 | HY2015 S\$'000 |
| Operating activities | | |
| Profit before income tax | 2,082 | 2,385 |
| Adjustments for: | | |
| Amortisation of intangible asset | 43 | 115 |
| Bad debts recovered | - | (5) |
| Depreciation of property, plant and equipment | 128 | 99 |
| Gain on bargain purchase arising from acquisition | - | (164) |
| IPO expenses | 681 | 107 |
| Interest expense | 49 | 44 |
| Interest income | (7) | (10) |
| Loss/(Gain) on disposal of property, plant and equipment, net | 9 | (384) |
| Loss/(Gain) on property, plant and equipment written-off | 8 | (2) |
| Operating cash flows before movements in working capital | 2,993 | 2,185 |
| Changes in working capital: | | |
| Trade and other receivables | (767) | (1,960) |
| Trade and other payables | (22) | 485 |
| Cash generated from operations | 2,204 | 710 |
| Interest received | 7 | 10 |
| Income taxes paid | (411) | (344) |
| Net cash generated from operating activities | 1,800 | 376 |
| Investing activities | | |
| Net cash inflow on acquisition of a subsidiary | - | 179 |
| Proceeds from disposal of property, plant and equipment | 30 | 764 |
| Purchase of property, plant and equipment | (320) | (141) |
| Net cash (used in)/generated from investing activities | (290) | 802 |
| Financing activities | | |
| Dividend paid | (1,750) | (1,432) |
| Interest paid | (48) | (44) |
| IPO expenses | (681) | (107) |
| Proceeds from bank borrowings | 477 | 1,466 |
| Proceeds from issuance of shares in subsidiaries | - | 130 |
| Repayment to directors | (10) | (607) |
| Repayment to related parties | (76) | (50) |
| Repayment of borrowings | (753) | (468) |
| Repayment of finance lease payables | (27) | (8) |
| Net cash used in financing activities | (2,868) | (1,120) |
| Net (decrease)/increase in cash and cash equivalents | (1,358) | 58 |
| Cash and cash equivalents at beginning of financial period | 4,535 | 3,714 |
| Cash and cash equivalents at end of financial period⁽¹⁾ | 3,177 | 3,772 |

Note:

(1) For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise the following at the end of the financial periods:

| | Group | |
|---------------------------|-------------------|-------------------|
| | HY2016 S\$'000 | HY2015 S\$'000 |
| Cash and bank balances | 3,177 | 3,963 |
| Bank overdrafts | - | (191) |
| Cash and cash equivalents | 3,177 | 3,772 |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group

| | Attributable to owners of the Company | | | | | | |
|---|---------------------------------------|-------------------|-----------------|----------------|---------|---------------------------|--------------|
| | Share capital | Retained earnings | Capital reserve | Merger reserve | Total | Non-controlling interests | Total equity |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 January 2016 | 1,405 | 2,692 | 813 | - | 4,910 | 67 | 4,977 |
| Profit for the financial period, representing total comprehensive income for the financial period | - | 1,909 | - | - | 1,909 | 28 | 1,937 |
| Dividend declared | - | (600) | - | - | (600) | - | (600) |
| Issuance of new shares pursuant to the Restructuring Exercise | 4,821 | - | - | - | 4,821 | - | 4,821 |
| Adjustments pursuant to the Restructuring Exercise | (1,405) | - | (813) | (2,603) | (4,821) | - | (4,821) |
| Balance at 30 June 2016 | 4,821 | 4,001 | - | (2,603) | 6,219 | 95 | 6,314 |
| Balance at 1 January 2015 | 1,375 | 1,843 | 547 | - | 3,765 | - | 3,765 |
| Profit for the financial period, representing total comprehensive income for the financial period | - | 2,250 | - | - | 2,250 | 20 | 2,270 |
| Dividend declared | - | (170) | - | - | (170) | (40) | (210) |
| Issuance of ordinary shares | 30 | - | - | - | 30 | - | 30 |
| Acquisition of a subsidiary | - | - | 266 | - | 266 | 72 | 338 |
| Balance at 30 June 2015 | 1,405 | 3,923 | 813 | - | 6,141 | 52 | 6,193 |

1(d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (continued)**

| Company⁽¹⁾ | Share capital | Retained Earnings | Total |
|---|----------------------|--------------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 |
| Balance as at 2 February 2016 ⁽²⁾ | *(3) | - | - |
| Issuance of new shares pursuant to the Restructuring Exercise | 4,821 | - | 4,821 |
| Profit for the financial period, representing total comprehensive income for the financial period | - | 920 | 920 |
| Dividend declared | - | (600) | (600) |
| Balance as at 30 June 2016 | <u>4,821</u> | <u>320</u> | <u>5,141</u> |

Note:

(1) There are no comparative figures at the Company level for the corresponding period of the immediately preceding financial year as the Company was incorporated on 2 February 2016.

(2) Date of incorporation

(3) S\$1.00

- 1(d)(ii) Details of any changes in the Company’s share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The changes in the Company’s share capital since the date of incorporation on 2 February 2016 up to 30 June 2016 are as follows:

| | Number of shares | Issued and paid-up share capital (S\$) |
|--|---------------------|--|
| As at the date of incorporation | 1 | 1 |
| As at 1 June 2016, after the issuance of shares pursuant to the Restructuring Exercise | 4,821,208 | 4,821,208 |
| As at 1 June 2016, after sub-division of shares | 130,172,589 | 4,821,208 |
| As at 30 June 2016 | <u>130,172,589</u> | <u>4,821,208</u> |

The Company was incorporated on 2 February 2016 with an issued and paid-up share capital of S\$1 comprising 1 ordinary share. Pursuant to the Restructuring Exercise, on 1 June 2016, the Company has an issued and paid-up share capital of S\$4,821,208 comprising 4,821,208 ordinary shares. Immediately after the Restructuring Exercise, on 1 June 2016, the 4,821,208 ordinary shares of the Company were sub-divided into 130,172,589 ordinary shares. Following the sub-division, the issue and paid-up share capital of the Company was S\$4,821,208 comprising 130,172,589 ordinary shares.

Subsequent to the current financial period ended 30 June 2016, the Company issued 43,000,000 ordinary shares pursuant to the initial public offering of the Company on 11 July 2016 (the “IPO”). As at the date of this announcement, the issued and paid-up share capital of the Company was S\$4,821,208 comprising 173,172,589 ordinary shares.

There are no outstanding convertibles and treasury shares of the Company as at 30 June 2016. There are no comparative figures for the Company as at 30 June 2015, as the Company was incorporated on 2 February 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued ordinary shares, excluding treasury shares as at 30 June 2016 was 130,172,589. There are no comparative figures as at 31 December 2015 as the Company was incorporated on 2 February 2016.

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and / or use of treasury shares as at the end of the current period reported on.**

Not applicable. The Company did not have any treasury shares at the beginning and end of the current financial period.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures presented have not been audited or reviewed by the Company’s auditors.

- 3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of matter).**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the Issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the Group's financial statement for the half-year period ended 30 June 2016 compared to its most recently audited financial statements for the financial year ended 31 December 2015 ("FY2015").

5. If there are any changes in the accounting policies and methods of computation including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

There are no changes in the Group's accounting policies and methods of computation including any required by an accounting standards. The new and revised financial reporting standards ("FRS") and Interpretations of FRS ("INT FRS") are assessed to have no material impact on the financial figures reported for the current or prior financial period.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

| | Group | |
|--|---------------------|---------------------|
| | 30 June 2016 | 30 June 2015 |
| Profit attributable to owners of the Company (S\$'000) | 1,909 | 2,250 |
| Number of ordinary shares | 130,172,589 | 130,172,589 |
| Earnings per share (basic and diluted)(cents) | 1.47 | 1.73 |

For comparative purposes, the calculation of basic and dilutive earnings per share for the respective half-year ended 30 June 2016 and 30 June 2015 is based on the number of ordinary shares issued as at 30 June 2016. The basic and dilutive earnings per share is the same as there were no potentially dilutive instruments.

For illustrative purposes, assuming that the IPO has been completed on 30 June 2016, the earnings per share (basic and diluted) for the half-year ended 30 June 2016 would have been 1.10 cents.⁽¹⁾

Note:

(1) Based on the post-IPO share capital of 173,172,589 ordinary shares. Pursuant to the IPO on 11 July 2016, the Company issued additional 43,000,000 ordinary shares. Taking into consideration the additional shares, the enlarged number of ordinary shares as at 30 June 2016 will be 173,172,589.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the Issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year

| | Group | | Company | |
|-----------------------------------|--------------------|--------------------|--------------------|----------------------------------|
| | 30 Jun 2016 | 31 Dec 2015 | 30 Jun 2016 | 31 Dec 2015⁽¹⁾ |
| Net asset value per share (cents) | 4.78 | 3.77 | 3.95 | - |
| Net asset value (S\$'000) | 6,219 | 4,910 | 5,141 | - |
| Number of ordinary shares issued | 130,172,589 | 130,172,589 | 130,172,589 | - |

For comparative purposes, the calculation of net asset value per share of the Group and Company is based on the number of ordinary shares issued as at 30 June 2016.

For illustrative purposes, assuming that the IPO has been completed as at 30 June 2016, the net asset value per share of the Group as at 30 June 2016 would have been 8.53 cents.⁽²⁾

Notes:

- (1) There are no comparative figures at the Company level at 31 December 2015 as the Company was incorporated on 2 February 2016.
- (2) Based on net asset value of S\$14,765,000 and number of ordinary shares of 173,172,589. Pursuant to the IPO on 11 July 2016, the Company issued additional 43,000,000 ordinary shares for a net estimated consideration of S\$7,540,000, after deducting IPO expenses. Out of total estimated listing expenses of S\$1.92 million, the balance of S\$914,000 will be paid after the Company's listing on Catalyst. Taking into consideration of the above, the net asset value will be S\$14,765,000 and the enlarged number of ordinary shares will be 173,172,589.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF GROUP RESULTS

Revenue increased by S\$2.2 million or 10.7% from S\$21.0 million in HY2015 to S\$23.2 million in HY2016 mainly due to (a) an increase in the average recruitment fees received from the Group's Employment Services Business, (b) a net increase in the aggregate service fees from on-going projects in the Cleaning and Stewarding Business, and (c) new security service contracts secured in HY2016.

Cost of services increased by S\$1.7 million or 11%, from S\$15.6 million in HY2015 to S\$17.3 million in HY2016, in line with the increase in revenue.

Gross profit increased by S\$0.5 million or 9.7%, from S\$5.4 million in HY2015 to S\$5.9 million in HY2016, in line with the increase in revenue. Gross profit margin remained relatively stable for both HY2016 and HY2015 at 25.5% and 25.7% respectively.

Other operating income increased by S\$0.1 million or 9.4% from S\$1.4 million in HY2015 to S\$1.5 million in HY2016, mainly due to (a) an increase in the amount from the government credit schemes such as Special Employment Credit, Wage Credit Scheme and Temporary Employment Credit, which was in line with the increase in staff costs incurred by the Group's Security Services Business and Employment Services Business, and (b) an increase in the rebate of insurance premiums due to renegotiation of terms with the insurer, offset by an absence of (a) a gain on disposal of the property located at Sin Ming Lane, (b) a gain on bargain purchase arising from the acquisition of Unipest Pte. Ltd. and (c) bad debts recovered, which were incurred in HY2015.

Administrative expenses increased by S\$1.0 million or 21.8% from S\$4.3 million in HY2015 to S\$5.3 million in HY2016, mainly due to (a) an increase in staff costs of administrative employees incurred by the Group's Employment Services Business and Security Services Business, and (b) an increase in other administrative expenses including advertising fees, depreciation expenses of the Group's property, plant and equipment arising from the increase in capital expenditures, operating lease expenses for office premises and motor vehicles, as well as one-off IPO expenses, offset by a decrease in amortisation of intangible assets arising from the acquisition of Unipest Pte. Ltd. in HY2015.

Finance expenses increased by S\$5,000 or 11.4% from S\$44,000 in HY2015 to S\$49,000 in HY2016, mainly due to an increase in finance lease payables and partially offset by a decrease in bank borrowings.

The profit after tax decreased by S\$0.3 million or 14.7% from S\$2.2 million in HY2015 to S\$1.9 million in HY2016, mainly due to the increase of IPO expenses and the increase of other administrative expenses to support the Group's operation. Excluding one-off IPO expenses of S\$681,000 and S\$107,000 in HY2016 and HY2015 respectively, the Group's profit after tax in HY2016 would have been S\$2.6 million representing an increase of 10.1% compared to HY2015 of S\$2.4 million. Higher effective tax rate for HY2016 compared to HY2015 was mainly due to an increase in non-deductible expenses such as IPO expenses.

REVIEW OF GROUP'S FINANCIAL POSITION

The Group's current assets decreased by S\$0.6 million or 5.1% from S\$11.9 million as at 31 December 2015 to S\$11.2 million as at 30 June 2016, mainly due to a decrease in cash and cash equivalent of S\$1.4 million partially due to dividend payment of S\$1.8 million, offset by an increase in trade receivables of S\$0.3 million and other receivables of S\$0.5 million. The increase in trade receivables was in line with the increase in revenue. The increase in other receivables was mainly due to the increase in advances to subcontractors and recruiters, prepayment, staff loan as well as receivables from government credit schemes.

The Group's non-current assets increased by S\$0.6 million or 77.2% from S\$0.7 million as at 31 December 2015 to S\$1.3 million as at 30 June 2016, mainly due to increase in capital expenditures.

The Group's current liabilities decreased by S\$1.7 million or 23.0% from S\$7.4 million as at 31 December 2015 to S\$5.7 million as at 30 June 2016, mainly due to (a) a decrease in other payables partially due to dividend payment, (b) a decrease in bank borrowings and (c) a decrease in income tax payables, offset by higher finance lease payables as a result of the purchase of motor vehicles under finance lease.

The Group's non-current liabilities increased by S\$0.3 million or 130.4% from S\$0.3 million as at 31 December 2015 to S\$0.6 million as at 30 June 2016, mainly due to higher finance lease payables as a result of the purchase of motor vehicles under finance lease.

REVIEW OF GROUP'S CASH FLOWS

The Group's net cash generated from operating activities amounted to S\$1.8 million for HY2016, mainly due to higher operating cash flows before movements in working capital amounting to S\$3.0 million and mainly offset by an increase in trade and other receivables of S\$0.8 million.

Net cash used in investing activities amounted to S\$0.3 million for HY2016, mainly due to the purchase of property, plant and equipment.

Net cash used in financing activities amounted to S\$2.9 million for HY2016, mainly due to payment of dividends of S\$1.8 million, payment of IPO expenses of S\$0.7 million, repayment to directors and related parties, as well as repayment of bank borrowings and finance lease payables.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not Applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects an increase in need for foreign domestic workers to provide caregiving support to families with elderly and children which is likely to drive demand for the Group's Employment Services Business.

The increase in supply in the number of residential and commercial properties in Singapore will be accompanied by a growth in demand for facilities management services, and will potentially lead to a corresponding increase in demand for the Group's Facilities Management Businesses.

The Group's expansion plan into new and/or complementary businesses in the provision of facilities management services, in areas such as the provision of integrated security services, property management, specialised pest control services, building maintenance and landscaping, will allow the Group to positioning itself as an efficient one-stop shop solutions and services provider of facilities management services. The Group's expansion plan through acquisitions is underway and the Company will make necessary announcements as and when appropriate.

11. If a decision regarding dividend has been made:

(a) An interim (final) ordinary dividend has been declared and amount per share (cent).

Interim one-tier tax exempt dividend of 0.35 cent per share.

(b) Previous corresponding period of the immediately preceding financial year

Not Applicable.

(c) The date the dividend is payable

30 September 2016

(e) Book closure date

22 September 2016, 5.00 p.m. Please refer to "Notice of Book Closure" announcement for further details.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested person transactions.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers as set out in Appendix 7H under Rule 720(1).

15. Updates on use of IPO proceeds

| | Amount allocated | Amount utilised | Balance of net proceeds as at at the date of this announcement |
|--|-----------------------------|----------------------------|---|
| | S\$ million | S\$ million | S\$ million |
| Expansion of business operations | 6.40 | - | 6.40 |
| Branding and marketing | 0.30 | - | 0.30 |
| General corporate and working capital purposes | 0.84 | - | 0.84 |
| | <u>7.54</u> | <u>-</u> | <u>7.54</u> |

16. Confirmation by the Board Pursuant to Rule 705(5)

The Board of Directors hereby confirms, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for half year ended 30 June 2016 to be false or misleading in any material aspect.

By order of the Board

Chin Mui Hiong
Executive Chairman
10 August 2016

Chin Mei Yang
Chief Executive Officer and Executive Director
10 August 2016