ADVANCER GLOBAL LIMITED

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

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(1) ACQUISITION OF 76% SHARES IN ENVIROCARE LANDSCAPE (S) PTE. LTD.
(2) STATUS OF USE OF NET PLACEMENT PROCEEDS

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 Company's wholly-owned subsidiary, Advancer Global Facility Pte. Ltd. ("**AGF**") together with Fat Trees Pte. Ltd., a company incorporated in the Republic of Singapore ("**Fat Trees**", collectively the "**Purchasers**") have on 4 July 2017 entered into a sale and purchase agreement ("**SPA**") with Chow Foong Kuan (the "**Vendor**"), to acquire 100% of the total issued and paid-up share capital of Envirocare Landscape (S) Pte. Ltd. ("**Envirocare**" or the "**Target Company**") (the "**Proposed Acquisition**"). The Purchasers will acquire the Target Company in the following proportions:

Name	Shareholding Percentage (%)	Number of Shares	Paid-up Capital (S$)
AGF	76.0	15,200	15,200
Fat Trees[(a)]	24.0	4,800	4,800
	100.0	20,000	20,000

Note:

(a) The issued and paid-up share capital of Fat Trees is held by an individual investor who is an independent and unrelated third party to the Company, its Directors and controlling shareholders.

Information on the Target Company

Envirocare is incorporated in the Republic of Singapore on 16 January 2012 and its principal activity is the provision of landscape planting, care and maintenance services such as garden installation and maintenance, grass cutting, tree felling and pruning in Singapore. Envirocare has an issued and fully paid-up share capital of S$20,000 consisting of 20,000 ordinary shares, which are wholly-owned by Chow Foong Kuan prior to the Proposed Acquisition.

Rationale for the Proposed Acquisition

The Proposed Acquisition is in line with the Group's plans to expand its range of services within its facilities management division and to further strengthen its service offerings by providing a holistic suite of facilities management solutions and services to its wide base of customers. Currently, the landscaping contracts that the Company's wholly-owned subsidiaries, Premier Eco-Care Pte. Ltd. ("**Premier**") and Prestige Enviro-Care Pte. Ltd. ("**Prestige**") are engaged in are of minimal sums and are outsourced to third party providers. The Board is of the view that the Proposed Acquisition would provide a larger skilled workforce and expertise for the Group to tap on, enabling it to be a direct provider of landscaping services, thereby expanding its landscaping business and its market share in Singapore. In addition, the

Group will be able to build on Envirocare's established customer base and its proven track records in the provision of landscaping services.

Purchase Consideration and Use of Proceeds

The maximum aggregate cash consideration of the Proposed Acquisition is S$300,000 (the "**Consideration**") and will be satisfied via 2 tranches:

(i) the initial consideration amounting to S$200,000 ("**Initial Consideration**") shall be paid by the Purchasers to the Vendor upon signing of the SPA, in accordance with the Purchasers' respective shareholding percentages, of which AGF shall pay S$152,000 ("**AGF Initial Consideration**") and Fat Trees shall pay S$48,000;

(ii) a further consideration ("**Further Consideration**") shall be paid by the Purchasers by 30 September 2018, in accordance with Purchasers' respective shareholding percentages, at an amount to be determined based on total service fees generated from Envirocare's fixed and recurring service contracts (the "**Service Contracts**") during the 12 months from the date of the SPA i.e. 4 July 2017 to 3 July 2018 ("**Target Service Fees**"). The Further Consideration will be a maximum amount of S$100,000 if the amount of Target Service Fees generated is no lesser than S$340,000, failing which, the Further Consideration shall be adjusted in the following manner:

$$\text{Adjusted Further Consideration} = (A / S\$340{,}000) \times S\$100{,}000$$

Where:

A = Amount of service fees generated from Envirocare's Service Contracts during the 12 months from the date of SPA (i.e. 4 July 2017 to 3 July 2018).

The Consideration was arrived after arm's length negotiation between the Purchasers and the Vendor on a willing buyer willing seller basis, taking into account, *inter alia*, the customer base of the Target Company as well as the value of its Service Contracts as at the date of the SPA, the Target Company's future growth potential and the value of non-current assets of Envirocare (comprising of 2 motor vehicles).

The AGF Initial Consideration is funded through the net proceeds (the "**Net Placement Proceeds**") from the issue and allotment of 12,500,000 placement shares and 6,250,000 warrants that was completed on 17 May 2017 (the "**Placement**"), and has been paid upon signing of the SPA. As such, 76% of the issued and fully-paid up capital of the Target Company (amounting to 15,200 ordinary shares) had been transferred to AGF, effectively resulting in Envirocare being a 76%-owned subsidiary of AGF.

The proportionate amount of Further Consideration to be paid by AGF will also be funded by the Net Placement Proceeds. The Consideration is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 31 December 2017.

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. The Board refers to the announcement dated 31 May 2017 in relation to the status of use of Net Placement Proceeds and wishes to provide a further update on the use of the Net Placement Proceeds following the payment of AGF Initial Consideration (being S$152,000) made on 4 July 2017 to the Vendor. The status of utilization of the Net Placement Proceeds as at the date of this announcement is as follows:

	Amount allocated (S$' million)	Amount utilized (S$' million)	Balance (S$' million)
Expansion of business operations	3.62	(0.57)	3.05
General corporate and working capital Purposes	1.20	(0.13)	1.07
	4.82	(0.70)	4.12

Note:

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

	S$'000
Professional and listing related expenses	56
Administrative expenses –staff cost	67
Administrative expenses- others	7
	130

The Company will make further announcements when the balance of the Net Placement Proceeds is materially disbursed. As the amount of the Further Consideration has not been determined as at the date of this announcement, the Company will make further announcements via SGXNet when the amount is finalized. Other than the Further Consideration, there are no other material conditions attached to the Proposed Acquisition.

Relative Figures Under Chapter 10 of the Catalist Rules

For the purpose of Chapter 10 of the Catalist Rules, and in particular Rule 1005 of the Catalist Rules, under which separate transactions completed within the last 12 months may be required to be aggregated and treated as if they were one transaction, the relative figures for the Proposed Acquisition, based on the Company's latest announced consolidated financial statements of the Group for the financial year ended 31 December 2016 **("FY2016")** shall be aggregated with the Group's acquisition of subsidiary companies, Premier, Prestige, and Green Management Pte. Ltd. ("**Green Management**") (collectively known as the "**Premier Group Acquisition**") announced on 25 October 2016. The relative figures are as follows:

	Basis of Calculation	Proposed Acquisition	Proposed Acquisition and Premier Group Acquisition
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value[(1)]	Not applicable	Not applicable
(b)	The net profits attributable to the assets acquired[(2)] or disposed of, compared with the group's net profits	-0.6%[(3)(4)]	3.2%[(4)(5)]
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation[(6)] based on the total number of issued shares excluding treasury shares	0.4%	6.0%[(7)]

	Basis of Calculation	Proposed Acquisition	Proposed Acquisition and Premier Group Acquisition
(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	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	Not applicable

Notes:

(1) This basis is not applicable to the Proposed Acquisition and the Premier 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 Target Company will become a subsidiary of the AGF and an indirect subsidiary the Company pursuant to the Proposed Acquisition. Accordingly, its financial statements will be consolidated into the Group’s financial statements. In determining the relative figures for the Proposed Acquisition, the Company has used 100% (instead of 76%) of the Target Company’s net loss of approximately S$19,720 based on its unaudited full year financial statements for the financial year ended 30 June 2017.

(4) The net profits of the Group for FY2016 amounted to approximately S$3,300,000. The total net profits attributable to Premier Group amounted to approximately S$125,000 for FY2016.

(5) In determining the aggregate relative figures for the Proposed Acquisition and the Premier Group Acquisition, the Company aggregated the Target Company’s net loss of approximately S$19,720 and the total net profits of Premier, Prestige and Green Management of approximately S$125,340 based on their unaudited full year financial statements for the financial year ended 31 December 2016.

(6) The market capitalization of the Company amounting to S$53,845,051 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 3 July 2017 of S$0.29 per share (being the last market day preceding the date of the SPA).

(7) The aggregate value of the consideration includes, (i) S$228,000 (i.e. 76% of the maximum Consideration of S$300,000 to be paid by AGF in relation to the Proposed Acquisition); and (ii) consideration paid for the Premier Group Acquisition of S$3 million.

As the aggregate relative figures calculated under Rule 1006(c) of the Catalist Rules exceeds 5% but does not exceed 75%, the Proposed 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 Proposed Acquisition.

Financial Effects of the Proposed Acquisition

The proforma financial effects of the Proposed 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 Proposed Acquisition. The financial effects of the Proposed Acquisition set out below have been prepared based on the Group's audited consolidated financial statements for FY2016 and the Target Company's unaudited financial statements for the full year ended 30 June 2017 (being the latest available financial statement of Envirocare).

EPS

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

EPS	Before the Proposed Acquisition	After the Proposed Acquisition
Profits attributable to owners of the Company(1) (S$'000)	2,675	2,660
Weighted average number of issued shares(2)	173,172,589	173,172,589
Basic and diluted EPS (cents)	1.54	1.54

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

NTA	Before the Proposed Acquisition	After the Proposed Acquisition
Consolidated NTA(1) (S$'000)	11,255	11,060
Number of issued shares(2)	173,172,589	173,172,589
Consolidated NTA per share (cents)	6.50	6.39

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 unaudited full year financial statements for Envirocare for the financial year ended 30 June 2017, the net loss attributable to Envirocare was approximately S$19,720. The net tangible asset value of Envirocare as at 30 June 2017 was approximately S$43,648.

Details of service contracts of proposed director(s)

No directors are proposed to be appointed to the Company pursuant to the Proposed 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 Proposed Acquisition, other than through their respective shareholdings in the Company.

Documents for Inspection

Copies of the SPA and any 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

4 July 2017
