Advancer Global Limited

SMART LIVING WITH ADVANCER GLOBAL

ANNUAL REPORT 2017

CONTENTS

This annual report 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 annual report.

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

The contact person for the Sponsor is Mr. Ong Hwee Li (Telephone no.: +65 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.

Corporate Profile

Advancer Global is the smart living solutions partner of choice. We are dedicated to providing our holistic suite of services, through the integrated solutions across our business divisions, to our diverse customer base.

Advancer Global Limited (前进集团有限公司) and together with its subsidiaries ("**Advancer Global**" or the "**Group**"), is an established and integrated workforce solutions and services provider in Singapore. The Group operates through two main business divisions: (i) Employment Services, and (ii) Facilities Management Services, to provide a holistic suite of solutions and services to its diverse base of customers.

The Employment Services division offers integrated and comprehensive employment solutions including sourcing, recruitment, training and deployment of foreign domestic workers to households and foreign workers to corporations. The Group offers employment solutions and services through its well-recognised brands, "Nation" and "Enreach".

The Facilities Management Services division encompasses two sub-divisions: (i) Building Management Services, and (ii) Security Services, through which the Group provides property management, security, pest control, cleaning and stewarding, gardening and landscaping, waste management and recycling services to a diverse base of customers in the real estate and building management sector covering residential, commercial and industrial premises.

The Group continues to drive efficiency and effectiveness in its business platforms by infusing technology in its services to provide greater convenience and satisfaction for its customers.

Advancer Global was listed on the Singapore Exchange Securities Trading Limited on 11 July 2016 under the stock code 43Q.

Letter To Shareholders

MR. DESMOND CHIN
Executive Chairman

Dear Shareholders,

On behalf of the Board of Advancer Global Limited (前进集团有限公司) (the "**Company**" and together with its subsidiaries, the "**Group**"), we are pleased to present to you our annual report for the financial year ended 31 December 2017 ("**FY2017**").

BRINGING REVOLUTIONARY CHANGES TO TRADITIONAL BUSINESSES

Thanks to the stable and sustainable growth of our Employment Services Division, the Group has a strong foundation to allow it to expand aggressively into the provision of facilities management services, particularly in the real estate and building management sector. We have broadened our scope of services within our Facilities Management Services division which comprises of Building Management Services and Security Services, through strategic acquisitions since the second half of 2016 after our listing on the SGX-ST.

During the financial year under review, our subsidiaries continued to grow organically and we have also looked at innovating and aggregating our services provided as a group. The effort was directed to allow us to compete more effectively in the highly fragmented and labour intensive facilities management service sector in which we operate.

Being a pioneer at integrating different business offerings, we are heartened to receive recognition for our efforts in providing services and solutions within the Facilities Management Services sector under a single corporate entity. We believe in giving our customers the best value for effective solutions and services that meet their essential needs in this challenging landscape of labour shortages and higher wages. We also believe that the Group's continuous transformation through technological advancement to evolve from traditionally labour-intensive services into technology-enhanced smart solutions and services will bring greater benefits for our customers.

In FY2017, the Group achieved yet another year of record revenue of S$65.3 million, a 28.2% year-on-year growth, driven by organic growth as well as full-year contribution from the subsidiaries acquired after its initial public offering. As the Group worked at integrating a common platform to cross-sell and provide a holistic suite of solutions and services to a wider base of customers, the Group also incurred higher direct labour costs, higher administrative expenses and capital expenditures, as well as professional fees as a listed company. Nevertheless, the net profit attributable to the owners of the Company increased 14.2% year-on-year from S$2.7 million in FY2016 to S$3.1 million in FY2017.

ENHANCING LIFESTYLE THROUGH SMART SOLUTIONS

The rising expectations of efficiency amidst declining manpower in the labour intensive industries created a vacuum that needed to be filled most urgently. The Group has identified the need to optimize operational efficiencies in its various functions within the residential, commercial and industrial premises.

The focus on providing greater effectiveness and benefits for our customers, coupled with the impending challenges of manpower shortages and higher wages in these labour intensive businesses going forward, led the Group to embark on investing and infusing technology into all our services.

The establishment of AGS Integration Pte. Ltd. ("**AGSI**") in April 2017 allows the Group to provide customisation of security systems to broaden our security services offered by our own security subsidiaries, comprising KC Security & Investigation Services Pte. Ltd., KH Security Agency Pte. Ltd. and Ashtree International Pte. Ltd.. We believe the adoption of the Man, Machine and Method ideology for security services enables the Group to equip its pool of well-trained security officers with a fully integrated smart security system to provide a well-rounded security service for any property. This fully-integrated smart security solutions and systems are expected to further enhance the quality of security services to address the rising security threats as well as the increasing challenges faced by the security industry.

Letter To Shareholders

We believe the initiative to build our own central command centre and the enhancement of the security services provided will not only support our own Security Services division, but also allow our fellow security service providers to tap on our expertise and technological infrastructure to progress together in the changing landscape of the security industry.

While declining manpower is often stressed in the security industry, it is also a common issue among the facilities management services industry. We believe that the Man, Machine and Method ideology can also be replicated for some of our services under the Building Management Services division by leveraging on the smart solutions and system developed by AGSI. The technological functions can be refined towards performance monitoring and better operational efficiency of our facilities management services. For instance in the cleaning and stewarding segment, our Smart Toilet System allows us to capture the frequency of the toilets being used as well as the cleanliness status of the toilets. These data allows us to better manage the limited pool of cleaners and at the same time, achieve the desired cleanliness quality required by our customers.

As we stride in tandem with the government's efforts towards building Singapore into a Smart Nation, we are confident that the Group is well-placed to provide a smart living lifestyle for everyone.

The Group has secured service contracts amounting to approximately S$3.6 million monthly (with varying contract periods) from its facilities management projects as at 31 December 2017.

REWARDING SHAREHOLDERS

We are pleased to update our shareholders that the Board has recommended a final (one-tier tax exempt) dividend of 0.34 Singapore cent per share for the second half of FY2017 (the "**Final Dividend**"), subject to the approval of shareholders at the forthcoming annual general meeting on 27 April 2018. An interim one-tier tax exempt dividend of 0.49 Singapore cent per share in respect of the first half of FY2017 was paid in September 2017. Total dividends for FY2017 would translate to 0.83 Singapore cent per share for FY2017, an increase from 0.78 Singapore cent in FY2016, and this constitutes approximately 50% of its net profit attributable to owners of the Company for FY2017.

The Group intends to pay at least 50% of our net profit attributable to owners of the Company as dividends for financial years ended or ending 31 December 2016, 2017 and 2018.

Aligned with our continuous expansion plan, the Group announced on 9 February 2018 the adoption of the Advancer Scrip Dividend Scheme (the "**Dividend Scheme**") to allow

MR. GARY CHIN
Chief Executive Officer & Executive Director

shareholders to elect for new shares in lieu of cash dividend to demonstrate their continuing confidence in the Group's prospects.

For the purpose of application of the Dividend Scheme to the Final Dividend, the issue price of a new share shall be set at not more than a 10% discount to the average of the last dealt prices of a share on which the shares were traded during the price determination period commencing on 11 May 2018 and ending on 15 May 2018 (both dates inclusive).

ACKNOWLEDGEMENTS AND APPRECIATION

We would like to convey our appreciation to our fellow Directors for their invaluable advice and guidance, our business partners and alliances, the management and staff for their dedication and commitment for the past year.

On behalf of the Board, we would like to express our heartfelt appreciation to our shareholders, customers, business associates and partners, for their trust and continued support for the Group. We will continue to drive growth for the Group's businesses to enhance value for our shareholders.

DESMOND CHIN
Executive Chairman

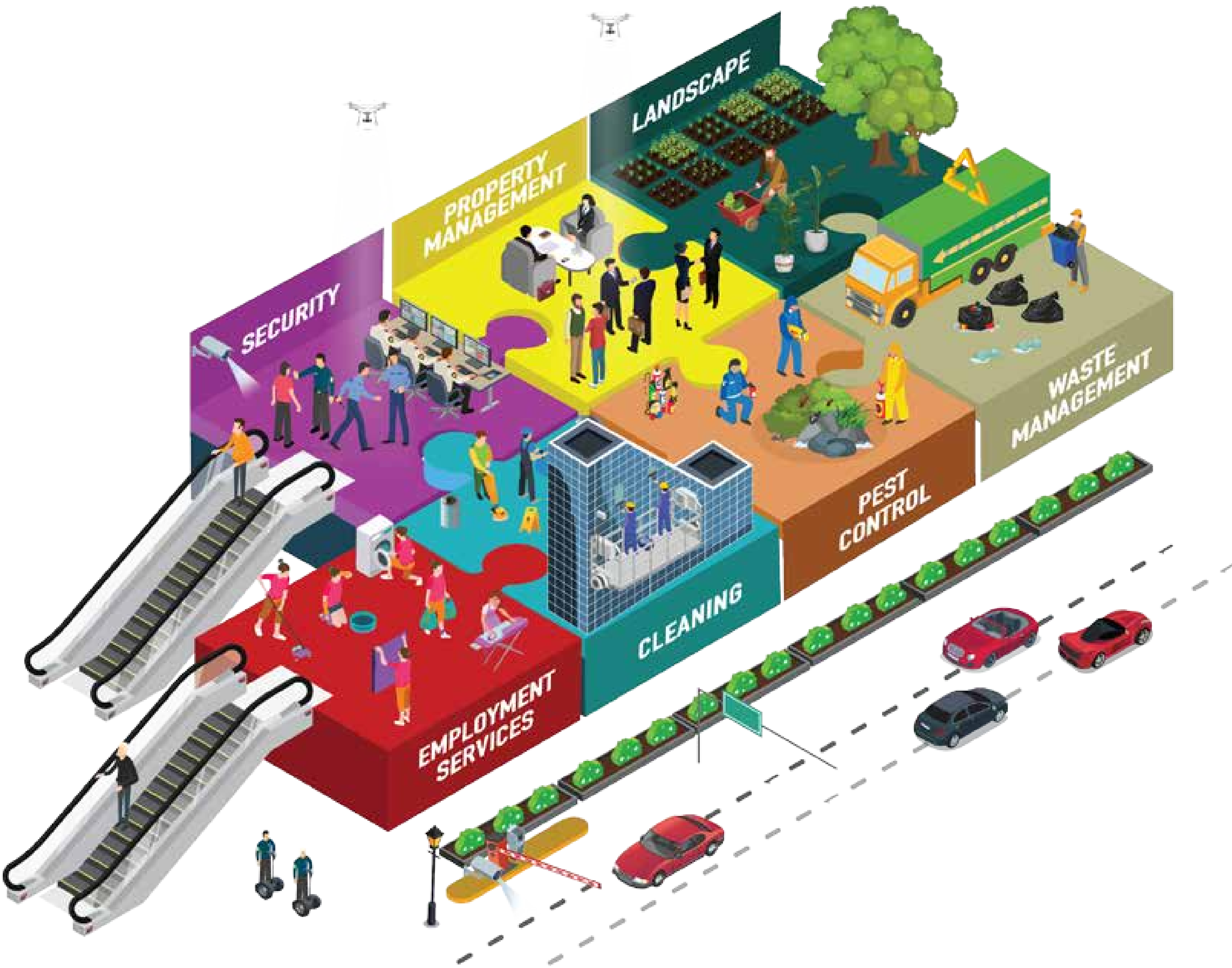
GARY CHIN
Chief Executive Officer
and Executive Director

Business Segments

Advancer Global is committed to providing a holistic suite of integrated smart solutions and services that are essential to our daily lives.

Advancer Global believes in giving its customers the best value for effective solutions and services that meet their daily essential needs. The Group is committed to providing greater convenience and peace of mind for its customers, both corporations and households alike.

The Group's continuous technological innovation in its labour-intensive Facilities Management Services division aims to create a common integrated platform, which will further optimise the synergies derived from its independent yet complementary businesses within the Group. The goal is to provide a more effective and cost-efficient integrated facilities management solution to its customers.



Business Segments

Advancer Global's competitive edge lies in the successful integration of manpower management and technological infrastructure of its two main business divisions, allowing the Group to offer customisation as well as deliver a holistic suite of solutions and services to its diverse base of customers, thereby achieving economies of scale.

The Group operates through two main business divisions, (i) Employment Services, and (ii) Facilities Management Services, to provide a holistic suite of solutions and services to its diverse base of customers.

ADVANCER GLOBAL MANPOWER: EMPLOYMENT SERVICES

The Group is one of the pioneers and market leaders in the employment services industry in Singapore. Through its well-entrenched subsidiaries with established brand names, "NATION" and "Enreach", the Employment Services division provides integrated and comprehensive employment solutions and services including sourcing, recruitment, training, and deployment of foreign domestic workers to households and foreign workers to corporations.

The Group's subsidiaries, Nation Employment Pte Ltd and Enreach Employment Pte. Ltd., are also certified with ISO 9001:2008 in recognition of their quality management systems for the placement of foreign domestic workers and foreign workers.

Business Segments

The Facilities Management Services division encompasses two sub-divisions: (i) Building Management Services, and (ii) Security Services. Through the Group's well-established subsidiaries, it provides property management, security, pest control, cleaning and stewarding, gardening and landscaping, waste management and recycling services to a diverse base of customers in the real estate and building management sector.

Advancer Global has revolutionised the way facilities management operates through its Smart Integrated Facility Management initiative. The synergies and complementary services provided by its various subsidiaries, infused with technology enhancements, allows the Group to serve its customers in the most economical manner whilst meeting their requirements.

ADVANCER GLOBAL FACILITY: BUILDING MANAGEMENT SERVICES

The Group integrates its spectrum of facilities management solutions of its subsidiaries and associate companies, spanning from – (i) cleaning and stewarding (Master Clean Facility Services Pte. Ltd., World Clean Facility Services Pte. Ltd., and First Stewards Private Limited), (ii) property consultancy, property and facilities management services (Newman & Goh Property Consultants Pte Ltd and Newman & Associates Pte. Ltd.), (iii) specialised pest control services such as fumigation and tackling pest infestation (Unipest Pte. Ltd., Premier Eco-Care Pte. Ltd., Prestige Enviro-Care Pte. Ltd., and Green Management Pte. Ltd.), (iv) gardening and landscaping (Envirocare Landscape (S) Pte. Ltd.), and (v) waste management and recycling solutions (Chiang Kiong Environmental Pte. Ltd., Chiang Kiong Resources (Paper) Pte. Ltd., and Envotek Engineering Pte. Ltd., collectively known as "**Chiang Kiong Group**"), to provide a full suite of complementary solutions and services to its diverse clientele base of residential, commercial, and industrial premises.

During the financial year under review, the Group acquired 76% interest in Envirocare Landscape (S) Pte. Ltd. to expand into the gardening and landscaping business, which was previously outsourced to third party providers. The Group also expanded into waste management services through its investment in an associate company, G3 Environmental Private Limited, to acquire 100% of Chiang Kiong Group.

The Group implemented its integration initiative to manage the independent and yet complementary services of all its established subsidiaries under this business division to provide greater convenience and reliability to customers.

In addition, the Group has the intention to leverage on the technological infrastructure of its 70%-owned AGSI, and its expertise in creating mobile application and smart devices to further enhance its building management offerings to customers.

ADVANCER GLOBAL SECURITY: SECURITY SERVICES

The Group established AGSI (AGS Integration Pte. Ltd.) in April 2017 to embark on the development of smart security solutions to integrate service offerings provided by its different security subsidiaries under the Group's wholly-owned subsidiary, Advancer Global Security Pte. Ltd..

The Group's security arm, which comprises of KC Security & Investigation Services Pte. Ltd., KH Security Agency Pte. Ltd., Ashtree International Pte. Ltd. and AGSI, offers a wide range of professional security services. The Group's adoption of the Man, Machine and Method ideology for security services enables the Group to equip its pool of well-trained security officers with a fully-integrated smart security system to provide a well-rounded security service for any property.

Corporate Social Responsibility

Advancer Global as one of the largest manpower management providers in Singapore, takes its responsibility of being a good corporate citizen to heart. The Group is committed to giving back to the community, and also encourages active participation by its employees to make a difference to the community by volunteering and supporting worthy causes.

The Group renders financial assistance and support to some charities and community organisations, and also sponsors charitable events and/or programmes.

INDONESIA CHARITY PROJECT

The Group's subsidiary, Nation Employment Pte Ltd ("**Nation Employment**"), together with Bukit Batok Secondary School and PT Lebo Indonesia organised a consecutive charity project trip to Indonesia Banten in October 2017, an initiative by Nation Employment since 2016.

The Group believes continuous effort should be made to strengthen the culture understanding and good relations with the local communities between Singapore and our neighbouring countries.

Executive Chairman, Desmond Chin, assisted in the packing of goodie bags

Financial Highlights

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER ("FY")

Income Statement (S$'000)	2017	2016
Revenue	65,260	50,909
Gross profit	18,857	13,555
Profit before tax	3,375	3,300
Profit attributable to owners of the Company	3,056	2,675
Balance Sheet (S$'000)		
Shareholders' equity	21,621	15,720
Total assets	34,391	28,441
Total liabilities	12,326	12,264
Net asset value	21,621	15,720
Net tangible asset value	14,535	8,218
Cash and cash equivalents	8,033	8,238
Net loans and borrowing	Net Cash	Net Cash
Per Share (Singapore Cents)		
Basic earnings (1)	1.69	1.54
Net asset value (2)	11.64	9.08
Net tangible asset value (2)	7.83	4.75
Dividends (2) (3)	0.83	0.78
Financial Ratios		
Return on equity	14.13%	17.02%
Return on assets	9.73%	13.04%
Dividend payout ratio	50.43%	50.50%

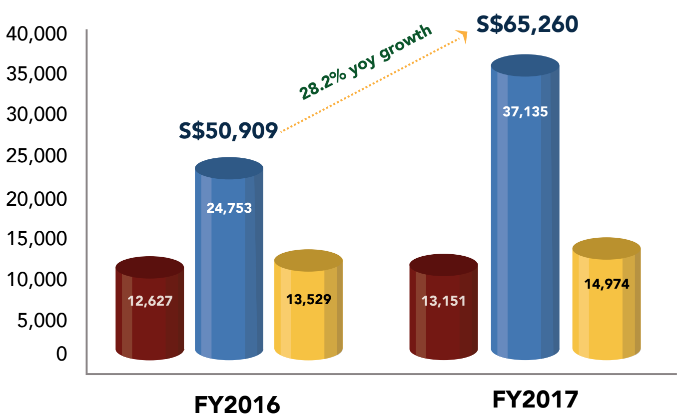
Notes:

(1) For illustrative purposes, basic earnings per share was computed based on the share capital of 173,172,589 and 180,980,808 ordinary shares for FY2016 and FY2017, respectively.

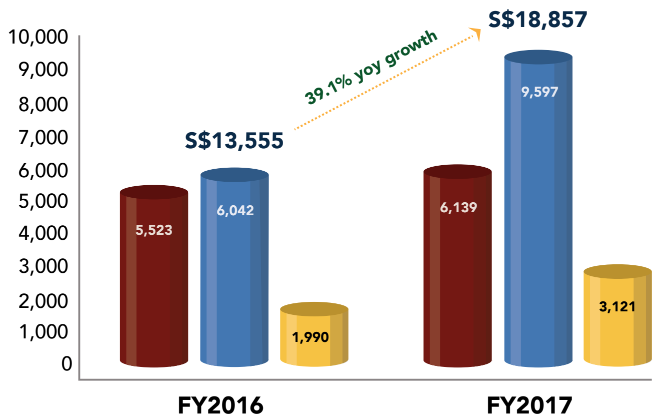
(2) For illustrative purposes, net asset value per share, net tangible asset per share and dividends per share were computed based on the share capital of 173,172,589 and 185,672,589 ordinary shares or FY2016 and FY2017, respectively.

(3) An interim dividend of 0.49 Singapore cent per share was declared and paid in September 2017. A final one-tier tax-exempt dividend of 0.34 Singapore cent per share for the second half of FY2017 is recommended, will be subject to the approval of shareholders at the forthcoming annual general meeting on 27 April 2018.

REVENUE BY BUSINESS SEGMENTS



GROSS PROFIT BY BUSINESS SEGMENTS



Employment Services　Building Management Services　Security Services

Performance Review

Advancer Global achieved yet another year of record revenue of S$65.3 million for FY2017, driven by full-year contributions from its subsidiaries acquired in the second half of 2016 and higher revenue across all business segments.

The Group registered 28.2% year-on-year growth in revenue to S$65.3 million for FY2017, up from S$50.9 million in the financial year ended 31 December 2016 ("**FY2016**").

All business segments registered revenue and gross profit growth in FY2017, in particular the Facilities Management Services division which comprises of Building Management Services and Security Services segments. These two business segments were expanded through the acquisitions of Newman & Goh Property Consultants Pte Ltd ("**NGPC**"), Newman & Associates Pte. Ltd. ("**NAPL**"), Premier Eco-Care Pte. Ltd. ("**Premier**"), Prestige Enviro-Care Pte. Ltd. ("**Prestige**"), and Ashtree International Pte. Ltd. in the second half of 2016, as well as the acquisition of Envirocare Landscape (S) Pte. Ltd. ("**Envirocare**") in July 2017 (the "**New Subsidiaries**").

The Building Management Services segment saw a significant surge in revenue as well as gross profit as it embarked on customisable integrated facilities management solutions and services to existing and new customers. This segment currently contributes 56.9% of the Group's total revenue. The stronghold of the Group, its Employment Services division, has also continued to grow steadily with higher placements of foreign domestic workers to households in Singapore.

BUSINESS SEGMENTAL REVIEW

FYE 31 Dec (S$'000)	Revenue			Gross Profit			Gross Margin	
	FY2017	FY2016	YoY Change	FY2017	FY2016	YoY Change	FY2017	FY2016
Employment Services	13,151	12,627	4.1%	6,139	5,523	11.2%	46.7%	43.7%
Building Management Services	37,135	24,753	50.0%	9,597	6,042	58.8%	25.8%	24.4%
Security Services	14,974	13,529	10.7%	3,121	1,990	56.8%	20.8%	14.7%
Total	**65,260**	**50,909**	**28.2%**	**18,857**	**13,555**	**39.1%**	**28.9%**	**26.6%**

During the year, cost of services increased by 24.2% year-on-year from S$37.4 million in FY2016 to S$46.4 million in FY2017. The increase was mainly due to the increase in (a) direct costs from the New Subsidiaries, (b) average direct labor cost and operating lease expenses for Group's cleaning and stewarding projects, and (c) number of security officers. Nevertheless, gross profit rose by 39.1% year-on-year to S$18.9 million in FY2017, from S$13.6 million in FY2016. Gross profit margin improved from 26.6% in FY2016 to 28.9% in FY2017 in tandem with higher gross margins throughout all its business segments.

Performance Review

Revisions made to the government credit schemes such as Wage Credit Scheme and Temporary Employment Credit, as well as the absence of insurance premiums rebates and writeback of doubtful receivables in the financial year under review, resulted in a decline in other operating income from S$2.7 million in FY2016 to S$1.3 million in FY2017.

Administrative expenses increased by 29.5% year-on-year from S$12.9 million in FY2016 to S$16.7 million in FY2017. This was due mainly to the consolidation of expenses from its New Subsidiaries as well as higher staff costs, advertising expenses, operating lease expenses, depreciation expenses and amortisation of intangible assets, which was partially offset by the absence of the one-off IPO expenses in FY2016.

The effective tax rate was lower at 7.8% in FY2017, as compared to 15.3% in FY2016, due to the one-off non-tax-deductible IPO expenses and over provision of tax expenses in FY2016. Consequently, net profit attributable to owners of the Company increased by 14.2% year-on-year to S$3.1 million in FY2017, up from S$2.7 million in FY2016. Earnings per share based on weighted average number of 173,172,589 and 180,980,808 shares respectively, increased from 1.54 Singapore cents in FY2016 to 1.69 Singapore cents in FY2017 respectively.

Financial Position

The Group's balance sheet was strengthened in the year under review, with a net cash position of S$8.0 million as at 31 December 2017. Its non-current assets had increased by S$0.6 million from S$9.1 million as at 31 December 2016 to S$9.7 million as at 31 December 2017, mainly due to the increase in capital expenditures and the increase in goodwill as a result of the acquisition of Envirocare, which was partially offset by the amortization of intangible assets for the financial year. As a result of the adjustment of goodwill arising from the fair value estimation of the contingent consideration of approximately S$3.0 million in relation to the acquisition of entire issued and paid-share capital of Premier, Prestige, and Green Management Pte. Ltd. (the "**Premier Group**"), the non-current assets as at 31 December 2016 has been restated to S$9.1 million from S$6.1 million.

Current assets increased by S$5.3 million to S$24.7 million as at 31 December 2017. This was mainly attributed to an increase in trade and other receivables of S$5.5 million to S$16.6 million that stemmed from (a) the increase in trade receivables of S$1.4 million, and (b) other receivables of S$4.1 million. The increase of other receivables was mainly a result of the Group's provision of, (i) a shareholder's loan to its associate company, G3 Environmental Private Limited, of approximately S$3.7 million, (ii) an increase in advances to staff (who are independent and unrelated third parties to the Directors, substantial shareholders and controlling shareholders of the Company), and (iii) deferred recruitment costs for the Employment Services Business. This was partially offset against the decrease in receivables from government credit schemes in FY2017.

Shareholder's equity comprising reserves, retained earnings and non-controlling interests, increased by S$5.9 million to S$22.1 million due to an increase in share capital as a result of the issuance of 12.5 million new shares to MES Group Holdings Pte. Ltd. and the net profit attributable to owners of the Company for FY2017.

Performance Review

The Group's non-current liabilities was S$1.5 million as at 31 December 2017, an increase of S$0.4 million over the previous year. This was attributed to increase in bank borrowings, which was partially offset by lower finance lease payables and deferred tax liabilities in FY2017.

Current liabilities decreased by S$0.3 million to S$10.9 million at end of December 2017. This was due to (i) the decrease in other accrued operating expenses (classified under other payables) in relation to the payment of remaining consideration for the acquisition of NGPC and NAPL in FY2017, and (ii) the decrease in finance lease payables. The decrease was offset by (i) the increase in trade payables as a result of the increase in cost of services for the Group's all business segments, (ii) the increase in other payables in relation to employees' remuneration such as accruals for bonuses, (iii) the increase in bank borrowings, and (iv) the increase in income tax payables and dividend payables to non-controlling interest (classified under other payables). Current liabilities as at 31 December 2016 has been restated to S$11.2 million from S$8.2 million, due to the adjustment of other payables arising from the fair value estimation of the contingent consideration of approximately S$3.0 million in relation to the acquisition of Premier Group in October 2016.

Cash flow

The Group's net cash generated from operating activities in FY2017 was S$2.9 million. This comprises positive operating cash flows before changes in working capital of S$4.7 million, adjusted by net working capital change of S$1.5 million.

Net cash used in investing activities was S$6.0 million in FY2017, due mainly to (i) the acquisition of the remaining 20% of Unipest Pte. Ltd. for S$0.5 million, (ii) the payment of the balance consideration in relation to the acquisition of NGPC and NAPL of S$1.0 million, (iii) the acquisition of 76% stake in Envirocare for S$0.2 million, (iv) the investment in and loan to an associate company of S$3.7 million, and (v) the purchase of property, plant and equipment of S$0.9 million. The investing cash outflow is partially offset by an increase of non-controlling interests arising from AGSI and proceeds from disposal of property, plant and equipment.

Net cash generated from financing activities amounted to S$2.9 million during the year. This was mainly due to the net placement proceeds of S$4.8 million, and the proceeds from bank borrowings of S$0.6 million, which was partially offset by the payment of dividends of S$1.7 million, repayments of bank borrowings of S$0.6 million, and finance lease payables of S$0.2 million.

Board Of Directors

L-R: Mr. Loy Soo Chew | Mr. Gary Chin | Mr. Francis Yau Thiam Hwa | Mr. Ong Eng Tiang | Mr. Desmond Chin | Mr. Vincent Leow

DESMOND CHIN

Executive Chairman

Desmond Chin was appointed to the Board as the Executive Chairman on 9 June 2016. He has over 20 years of experience in the employment services business and has been instrumental in spearheading the growth and development of our Group since 1992. He is responsible for ensuring the effective operation of our Group and the Board of Directors. From 1990 to 1992, Desmond Chin was employed as a Sales Engineer at UMW Engineering Ltd, where he was involved in the sale of auto retriever systems for store management, and Suntze Communication Engineering Pte Ltd, where he was involved in the sale of computer and peripheral devices and IT network solutions. In 1992, Desmond Chin co-founded Nation Employment Agency, to offer employment services in Singapore. In 1994, Nation Employment Agency partnership ceased and Nation Employment Pte Ltd was incorporated to offer the same services.

Desmond Chin graduated with a Bachelor of Engineering from the National University of Singapore in 1990 and subsequently obtained a Master of Business Administration from the National University of Singapore in 2012.

GARY CHIN

Chief Executive Officer and Executive Director

Gary Chin was appointed to the Board on 2 February 2016 and he is the Chief Executive Officer and Executive Director of the Company. He is responsible for the overall administration, operation and management of the Group.

Gary Chin began his career in 1996 with Peninsula Employment Services, with a focus on the expansion of the employment services business in Singapore. He was responsible for the day-to-day operations of Peninsula Employment Services, before co- founding Beauty World Employment Pte Ltd in 2001, where he was responsible for its overall administration, operation and management. In 2009, Gary Chin joined Nation Employment Pte Ltd as a director and senior executive, to oversee the business development and growth of the Group's employment services business.

Gary Chin graduated with a Bachelor of Electrical & Electronic Engineering (Hons) from the University of Aberdeen, Scotland in 1995.

ONG ENG TIANG

Executive Director

Ong Eng Tiang was appointed to the Board on 9 June 2016. He is the Executive Director and Head of Building Management and Security Services of the Company. Ong Eng Tiang has an aggregate of more than 15 years of experience in the cleaning and stewarding services and the security services business segments. He is responsible for heading the Group's Facilities Management Services division as well as overseeing the daily operations which include marketing strategies, manpower deployment and cash flow management.

Ong Eng Tiang began his career at Intrapac Investments Ltd. as a marketing executive in 1994, where he serviced major customer accounts and coordinated with the paper mills in Singapore and Malaysia for order requirements and shipment arrangements. From 1995 to 1998, Ong Eng Tiang joined Muda Packaging Industries (Qing Yuan) Ltd. as a marketing manager, where he was responsible for the Marketing Department. In 1998, Ong Eng Tiang joined United Paper Industries Pte Ltd as an assistant sales manager and rose through the ranks to become its deputy marketing manager in 1999. In 2001, he joined First Stewards and became a shareholder of First Stewards in 2004.

Ong Eng Tiang graduated with a Bachelor of Business Administration from the University of Wisconsin-Madison in the United States of America in 1993.

Board Of Directors

LOY SOO CHEW
Lead Independent Director

Loy Soo Chew was appointed to the Board on 9 June 2016. He is the Lead Independent Director of the Company. Loy Soo Chew began his career with Lee Kim Tah Holdings Limited in 1991 before leaving in 1996 as an accountant. He was primarily responsible for preparing and monitoring budgets, cash flow and profit and loss projections for office, construction and property development projects. In 1996, he joined Kian Ann Engineering Ltd (now known as Kian Ann Engineering Pte. Ltd.), a former SGX-ST Mainboard-listed company, as Finance Manager. In 2007, Loy Soo Chew was promoted to General Manager and was subsequently promoted to Executive Director and General Manager in 2009, and he was responsible for overseeing the daily operations and expansion of Kian Ann. Following the privatisation of Kian Ann in 2013 by way of a scheme of arrangement, Loy Soo Chew continued to be involved in the business of the Kian Ann Group and was promoted to Group Managing Director in 2014. As Group Managing Director, his responsibilities include exploring and evaluating new business opportunities for the Kian Ann Group.

Loy Soo Chew graduated with a Bachelor of Business (major in Professional Accounting) from the University of Southern Queensland in 1996 and a Master of Business Administration from the University of Leeds in 2000. He is an Associate of the Australian Society of Certified Practising Accountants.

FRANCIS YAU THIAM HWA
Independent Director

Mr Francis Yau was appointed as an Independent Director to the Board on 9 June 2016 and serves as the Chairman of the Audit Committee and a member of the Remuneration Committee. His experience spans over 29 years across a wide spectrum of expertise ranging from corporate banking, corporate finance, financial and risk management, strategic planning to the management of the corporate affairs in a public listed company and has good knowledge of corporate governance, investor relations and sustainability. He is currently the chief financial officer of Megachem Ltd since 2007, a public listed company in Singapore, and serves as an independent director in one other Singapore listed company. He holds a bachelor degree in Business Administration from the National University of Singapore, majoring in finance and is also a member of the Institute of Singapore Chartered Accountants.

VINCENT LEOW
Independent Director

Vincent Leow was appointed to the Board as an Independent Director on 9 June 2016. Vincent Leow began his career serving as a Justices' Law Clerk in the Singapore Legal Service in 2002. He was subsequently posted as Magistrate in 2003 and then Deputy Public Prosecutor and State Counsel in 2005. In 2007, Vincent Leow joined Allen & Gledhill LLP as a Senior Associate, where he handles dispute resolution and financial regulatory and compliance work. He was made Partner in 2010. Vincent Leow also taught at the National University of Singapore as an Adjunct Faculty member from 2004 to 2013, and has been teaching at the Singapore Management University as an Adjunct Faculty member since 2011.

Vincent Leow graduated from the National University of Singapore in 2002 with a Bachelor of Laws (Honours) and was admitted to act as an advocate and solicitor of the Singapore Supreme Court in 2005. He has obtained a Master of Laws from Harvard Law School in 2009.

KEY MANAGEMENT

FRANCIS CHIN
Head of Employment Services

Francis Chin is our Head of Employment Services. He is responsible for the operations and management of the Employment Services Business to achieve desirable objectives, quality services and profitability.

Francis began his career in 1978 as a technician and a tooling planner with Dupont Electronic Pte Ltd, where he was responsible for assisting engineers in performing operations, modification tooling and costing planning. He then co-founded Nation Employment Pte Ltd in 1994 and has since been responsible for the daily operations and management of the Group's Employment Services Business.

Francis was conferred the Pingat Bakti Masyarakat (Public Service Medal) for commendable community service in Singapore in 2005.

MICHELLE LI YING
Chief Financial Officer

Michelle Li Ying is our Chief Financial Officer and is responsible for our Group's internal controls, financial and accounting functions.

She has over 15 years of experience in accounting and financial management in listed and non-listed companies, before joining our Group as Chief Financial Officer in 2015. Upon graduation, Michelle worked at Pacific International Lines (Pte) Ltd from 1999 to 2005, where she joined as an account officer and was over time promoted to an assistant accounting executive, where she led a finance team to review revenue reporting and collections from overseas agents and subsidiaries. In 2005, she joined BDO LLP as an audit assistant, before leaving the firm as an audit senior in 2008. From 2008 to 2010, Michelle was a finance manager at JES International Holdings Limited, where she was responsible for statutory reporting and financial results announcements, and she also assisted the chief financial officer in financial, accounting, internal controls, taxation matters and investor relations of the group. From 2010 to 2011, she was a finance manager at Ferrell International Limited, and led the finance department of the company. From 2011 to 2013, she was the financial controller of SGX-ST Mainboard listed, AVIC International Maritime Holdings Limited, where she oversaw its internal controls, finance and accounting functions, including statutory and SGX-ST reporting, banking, tax and audit related matters and investor relations. Subsequently, she joined Goyes Group Holdings Company Ltd as chief financial officer in 2014, where she was responsible for overseeing the group's internal controls, financial functions and accounting matters.

Michelle is a member of the Institute of Singapore Chartered Accountants (previously known as Institute of Certified Public Accountants of Singapore), a Fellow of the Association of Chartered Certified Accountants, United Kingdom, and a Certified Internal Auditor of the Institute of Internal Auditors.

Michelle graduated from Oxford Brookes University with a Bachelor of Science in Applied Accounting in 2008 and subsequently obtained a Master of Business Administration from the University of Manchester in 2015.

CORPORATE STRUCTURE

Advancer Global 前进集团

ADVANCER GLOBAL SECURITY PTE. LTD. 100%

KH SECURITY AGENCY PTE. LTD.	100%
KC SECURITY & INVESTIGATION SERVICES PTE. LTD.	100%
ASHTREE INTERNATIONAL PTE. LTD.	100%
AGS INTEGRATION PTE. LTD.	70%

ADVANCER GLOBAL MANPOWER PTE. LTD. 100%

NATION EMPLOYMENT PTE LTD (EA Lic No.: 09C5332)	100%
ENREACH EMPLOYMENT PTE. LTD. (EA Lic No.: 09C4745)	100%
APAC CITIES EMPLOYMENT PTE. LTD. (EA Lic No.: 12C6266)	100%
NATION HUMAN RESOURCES PTE. LTD. (EA Lic No.: 12C5507)	100%
ADVANCER NATION PTE. LTD.	100%

ADVANCER GLOBAL FACILITY PTE. LTD. 100%

FIRST STEWARDS PRIVATE LIMITED	100%
WORLD CLEAN FACILITY SERVICES PTE. LTD.	100%
MASTER CLEAN FACILITY SERVICES PTE. LTD.	100%
NEWMAN & GOH PROPERTY CONSULTANTS PTE. LTD.	76%
NEWMAN & ASSOCIATES PTE. LTD.	76%
UNIPEST PTE. LTD.	100%
PREMIER ECO-CARE PTE. LTD.	100%
PRESTIGE ENVIRO-CARE PTE. LTD. (Wholly-owned subsidiary of Premier Eco-Care Pte. Ltd.)	100%
GREEN MANAGEMENT PTE. LTD.	100%
ENVIROCARE LANDSCAPE (S) PTE. LTD.	76%
G3 ENVIRONMENTAL PRIVATE LIMITED	20%
CHIANG KIONG ENVIRONMENTAL PTE. LTD. (Wholly-owned subsidiary of G3 Environmental Private Limited)	20%
CHIANG KIONG RESOURCES (PAPER) PTE. LTD. (Wholly-owned subsidiary of G3 Environmental Private Limited)	20%
ENVOTEK ENGINEERING PTE. LTD. (Wholly-owned subsidiary of G3 Environmental Private Limited)	20%

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Desmond Chin Mui Hiong
Executive Chairman

Mr. Gary Chin Mei Yang
Chief Executive Officer and
Executive Director

Mr. Ong Eng Tiang
Executive Director

Mr. Loy Soo Chew
Lead Independent Director

Mr. Francis Yau Thiam Hwa
Independent Director

Mr. Vincent Leow
Independent Director

AUDIT COMMITTEE

Mr. Francis Yau Thiam Hwa (Chairman)
Mr. Loy Soo Chew
Mr. Vincent Leow

REMUNERATION COMMITTEE

Mr. Loy Soo Chew (Chairman)
Mr. Francis Yau Thiam Hwa
Mr. Vincent Leow

NOMINATING COMMITTEE

Mr. Vincent Leow (Chairman)
Mr. Loy Soo Chew
Mr. Gary Chin Mei Yang

COMPANY SECRETARY

Sin Chee Mei, ACIS and PMP
Koo Wei Jia, ACIS

REGISTERED OFFICE

135 Jurong Gateway Road #05-317
Singapore 600135
Website: www.advancer.sg
Tel: (65) 6665 3855
Fax: (65) 6665 0969

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

AUDITORS

Mazars LLP
135 Cecil Street
#10-01 MYP Plaza
Singapore 069536

Partner-in-charge:
Mr. G Arull (Fellow Chartered
Accountant of Singapore)
Date of appointment: 2 June 2016

PRINCIPAL BANKERS

DBS Bank Ltd.
12 Marina Boulevard
Marina Bay Financial Centre, Tower 3
Singapore 018982

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
#09-00 OCBC Centre
Singapore 049513

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

CONTINUING SPONSOR

SAC Capital Private Limited
1 Robinson Road
#21-02 AIA Tower
Singapore 048542

Registered professional:
Mr. Ong Hwee Li

INVESTOR RELATIONS

Equitique Communications Pte Ltd
远璟财经通讯私人有限公司
1 Raffles Place #31-03
One Raffles Place
Singapore 048616
Email: equitique@eqtq.com.sg

Corporate Governance Report

Advancer Global Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance by adhering to the principles and guidelines set out in the Code of Corporate Governance 2012 (the "**Code**"), where appropriate. These principles and guidelines reflect the Board's commitment in having effective corporate practices to safeguard against, amongst others, fraud and dubious financial transactions, with the aim of protecting shareholders' interests as well as maximising long-term success of the Company and Group.

The Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") requires all listed companies to describe in their annual reports their corporate governance practices, with specific reference to the principles of the Code. For easy reference, sections of the Code under discussion in this report on corporate governance (the "**Report**") are specifically identified and the Report sets out the Group's corporate governance practices with specific references to each of the principles and guidelines of the Code. This Report should be read as a whole as other sections of this Report may also have an impact on the specific disclosures.

1. THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board comprises the following members, all of whom have the appropriate core competencies and provide a diversity of experience to enable them to effectively contribute to the Group.

Chin Mui Hiong ("**Desmond Chin**")	Executive Chairman
Chin Mei Yang ("**Gary Chin**")	Chief Executive Officer and Executive Director
Ong Eng Tiang	Executive Director
Loy Soo Chew	Lead Independent Director
Yau Thiam Hwa	Independent Director
Vincent Leow	Independent Director

The principal functions of the Board, in addition to carrying out its statutory responsibilities, *inter alia*, are as follows:

(i) overseeing and approving strategic formulation of the Group's overall long-term objectives and directions, taking into consideration sustainability issues, e.g. environmental and social factors;

(ii) overseeing and reviewing the management of the Group's business affairs and financial controls, performance and resource allocation;

(iii) establishing a framework of prudent and effective controls to assess and manage risks and safeguard shareholders' interests and the Group's assets;

(iv) identifying the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

(v) setting the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;

(vi) ensuring compliance with the Code, the Companies Act (Chapter 50) of Singapore, the Company's Constitution, the Catalist Rules, accounting standards and other relevant statutes and regulations; and

(vii) responsible for the overall corporate governance of the Group.

All Directors exercise due diligence and independent judgment, and are obliged to act in good faith and consider at all times the interests of the Company.

Other matters specifically reserved for the Board's approval are those involving corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, major corporate actions such as share issuance, the release of the Group's half-year and full-year results, declaration of dividends and interested person transactions.

Corporate Governance Report (Cont'd)

Non-Executive Directors may request to visit the Group's operating facilities and meet with the Group's management (the "**Management**") to gain a better understanding of the Group's business operations and corporate governance practices.

Newly appointed Directors will receive a formal letter explaining their duties and responsibilities, and will undergo orientation and be briefed on the business and governance practices of the Group as well as industry-specific knowledge. Prior to the initial public offering of the Company on 11 July 2016, all Directors, save for Mr. Yau Thiam Hwa and Mr. Loy Soo Chew, had no prior experience as director of a public listed company in Singapore prior to their appointments to the Board. However, they have undergone relevant courses and received training to familiarise and prepare themselves for the roles and responsibilities as a director of a listed company on the SGX-ST.

The Directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group and courses and seminars of relevance to the responsibilities of the Directors will be arranged and funded by the Company. During FY2017, the Directors had attended courses, seminars and updates on the laws and regulations applicable to Group's operation. The external auditors update the Directors on the new or revised financial reporting standards on an annual basis or as and when required. Regulatory releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority are circulated to the Board on a timely basis.

To assist in the execution of its responsibilities, the Board has, without abdicating its responsibility, established three Board Committees, comprising an Audit Committee (the "**AC**"), a Nominating Committee (the "**NC**") and a Remuneration Committee (the "**RC**"). These committees function within clearly defined written terms of reference and operating procedures. The Board accepts that while these Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lie with the Board.

The Board meets regularly on a half-yearly basis and ad-hoc Board Committee or Board meetings are convened when they are deemed necessary. The number of Board Committee and Board meetings held in FY2017 is set out below:

	No. of Meetings held and attended in FY2017							
	Board		Audit Committee		Nominating Committee		Remuneration Committee	
Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Desmond Chin	3	3	-	-	-	-	-	-
Gary Chin	3	3	-	-	1	1	-	-
Ong Eng Tiang	3	2	-	-	-	-	-	-
Loy Soo Chew	3	3	2	2	1	1	2	2
Yau Thiam Hwa	3	3	2	2	-	-	2	2
Vincent Leow	3	3	2	2	1	1	2	2
No. of Meetings Held in 2017	**3**	**3**	**2**	**2**	**1**	**1**	**2**	**2**

The Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing. Ad-hoc meetings are also convened whenever circumstances require. The Constitution of the Company provides for Board and Board Committee meetings to be held by way of telephonic and videoconferencing.

2. BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision-making.

The Board comprises six Directors, three of whom (constituting half of the Board) are independent. The Independent Directors are Mr. Loy Soo Chew, Mr. Yau Thiam Hwa and Mr. Vincent Leow.

The criterion of independence is based on the definition set out in the Code. The Board considers an "Independent" Director to be one who has no relationship with the Company, its related companies, its shareholders with shareholdings of 10% or more of the total votes attached to all the voting shares in the Company, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company. With three Independent Directors, the Board is able to exercise independent judgment on corporate affairs and provide the Management with a diverse and objective perspective on issues.

Corporate Governance Report (Cont'd)

The independence of each Director is reviewed annually by the NC and the Board. Each Independent Director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code. Each of the Independent Directors also confirmed that they are independent and have no relationships as identified in the Code. Through the NC, the Board considers, Mr. Loy Soo Chew, Mr. Yau Thiam Hwa and Mr. Vincent Leow to be independent.

The independence of any Director who has served on the Board beyond nine years from the date of his first appointment will be subject to more rigorous review, taking into account the need for progressive refreshing of the Board. None of the Independent Directors have served on the Board for a period exceeding nine years from the date of their appointments.

The Board has examined its size and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Group and the requirements of the Group's business. There is therefore no individual or small group of individuals who dominate the Board's decision-making. With half of the Board deemed to be independent, the Board is able to exercise independent and objective judgment on the Group's affairs.

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Board as a group comprises members with core competencies in accounting and finance, business and management experience, industry knowledge, strategic planning and customer-based experience and knowledge. This enables the Management to benefit from the external and expert perspectives of the Directors who constructively challenge key issues and strategies put forth by Management.

Where necessary or appropriate, the Non-Executive Directors on the Board will meet without the presence of the Management. The Non-Executive Directors communicate regularly to discuss matters related to the Group, including, *inter alia*, the performance of the Management.

The profiles of the Directors are set out on pages 12 to 13 of this annual report.

3. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The positions of Chairman and Chief Executive Officer ("**CEO**") are held by two separate individuals to ensure an appropriate balance of power, increased accountability and greater capacity for independent decision-making.

The Chairman's roles in relation to Board matters are as follows:

(i) lead the Board to ensure its effectiveness on all aspect of its role;

(ii) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

(iii) promote a culture of openness and discussion at the Board;

(iv) encourage constructive relations between the Board and Management;

(v) exercise control over quality, quantity and timeliness of the flow of information between Management and the Board;

(vi) ensure effectiveness communication with shareholders;

(vii) facilitate the effective contribution of Non-Executive Directors in particular; and

(viii) promote high standards of corporate governance.

The CEO is responsible for the day-to-day operations of the Group, as well as to carry out the Board's decisions.

There is clear division between the leadership of the Board and the CEO.

Corporate Governance Report (Cont'd)

As the Chairman, Mr. Desmond Chin, and the CEO, Mr. Gary Chin, are immediate family members, the Board has appointed Mr. Loy Soo Chew as Lead Independent Director in accordance with Guideline 3.3 of the Code. As our Lead Independent Director, Mr. Loy Soo Chew is available to Shareholders in situations where they have concerns or issues which communication with our Executive Chairman, CEO and/or Chief Financial Officer has failed to resolve or where such communication is inappropriate.

4. BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC is responsible for making recommendations on all board appointments and re-nominations, having regard to the contribution and performance of the Director seeking re-election.

The NC comprises Mr. Vincent Leow, Mr. Loy Soo Chew and Mr. Gary Chin. The chairman of the NC is Mr. Vincent Leow. A majority of the NC, including the chairman, is independent, in accordance with Guideline 2.3 of the Code.

The written terms of reference of the NC have been approved and adopted, and they include the following:

(a) nominate directors for appointment and re-appointment (including Independent Directors and alternate Directors) taking into consideration each Director's contribution, performance and ability to commit sufficient time, resources and attention to the affairs of our Group taking into account the Director's respective commitments outside our Group including their principal occupation and board representations in other companies;

(b) review and recommend to the Board the composition of the AC and RC;

(c) determine annually whether or not a director of the Company is independent having regard to the Code and any other salient factors;

(d) develop a process for evaluating the effectiveness and performance of the Board and its committees; and propose objective performance criteria, as approved by the Board, that allow comparison with the industry peers (if available) and address how the Board has enhanced long term shareholders' value;

(e) assess the performance of the Board as a whole and contribution of each Director to the effectiveness of the Board;

(f) review of succession plans for Directors, in particular, for the Chairman and the CEO;

(g) review and decide, in respect of a director who has multiple board representations on various companies, whether or not, such director is able to and has been adequately carrying out his duties as a director, having regard to the competing time commitments that are faced by the director when serving on multiple boards and discharging his duties towards other principal commitments;

(h) determine and recommend to the Board on the maximum number of listed company board representations which any director may hold;

(i) review of training and professional development programs for the Board;

(j) review and approve any new employment of persons related to the director(s) and substantial shareholder(s), and the proposed terms of their employment; and

(k) other acts as may be required by the SGX-ST and the Code from time to time.

Having made its review on an annual basis, taking into consideration the checklist provided by the Independent Directors as mentioned above, the NC is of the view that Mr. Loy Soo Chew, Mr. Yau Thiam Hwa and Mr. Vincent Leow are independent.

Corporate Governance Report (Cont'd)

The Company does not have a formal selection criteria for the appointment of new directors to the Board. When a vacancy arises under any circumstance, either as part of the Board renewal process or where it is considered that the Board would benefit from the services of a new director with particular skills, the NC, in consultation with the Board, will determine the selection criteria and will select candidates with the appropriate expertise and experience for the position. In its search and nomination process for new directors, the NC may rely on search companies, personal contacts and recommendations for the right candidates. The NC will make reference checks, meet up with the candidates and assess their suitability prior to making recommendations to the Board. Shortlisted candidates will then meet up with the other Board members before the Board approves the appointment.

Board appointments are made by the Board after the NC has, upon reviewing the resume of the proposed Director and conducting appropriate interviews, recommended the appointment to the Board and the Board approving the appointment. Pursuant to the Constitution of the Company, each Director is required to retire at least once every three years by rotation, and all newly appointed Directors who are appointed by the Board are required to retire at the next annual general meeting following their appointment. The retiring Directors are eligible to offer themselves for re-election.

Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his performance or re-nomination as Director.

The dates of initial appointment together with their directorships in other listed companies, are set out below:

Director	Position	Date of Initial Appointment	Date of last re-appointment	Current directorships in listed companies	Past directorships in listed companies (in last three years)
Desmond Chin	Executive Chairman	9 June 2016	28 April 2017	–	–
Gary Chin	Chief Executive Officer and Executive Director	2 February 2016	28 April 2017	–	–
Ong Eng Tiang	Executive Director	9 June 2016	28 April 2017	–	–
Loy Soo Chew	Lead Independent Director	9 June 2016	28 April 2017	–	–
Yau Thiam Hwa	Independent Director	9 June 2016	28 April 2017	Abundance International Limited	–
Vincent Leow	Independent Director	9 June 2016	28 April 2017	–	–

The Board has accepted the NC's recommendation for the re-election of Mr. Desmond Chin and Mr. Yau Thiam Hwa who will be retiring pursuant to Regulation 117 of the Company's Constitution at the Company's forthcoming annual general meeting ("**AGM**"). In making the recommendation, the NC had considered the Directors' overall contribution and performance.

Mr. Gary Chin and Mr. Desmond Chin are brothers and controlling shareholders of the Company. Mr. Desmond Chin holds 20.0% direct interest in the Company while Mr. Gary Chin holds 16.47% direct interest in the Company.

Mr. Gary Chin and Mr. Desmond Chin are brothers of Mr. Francis Chin (Chin Swee Siew @ Chen Yin Siew), who is an executive officer and a controlling shareholder of the Company. Mr. Francis Chin holds 20.23% direct interest in the Company.

Mr. Ong Eng Tiang is a substantial shareholder of the Company and is interested in 10.64% of the Company's shares.

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. The NC is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that only one of the Director, Mr. Yau Thiam Hwa has multiple board representations in listed companies. The NC is of the view that the matter relating to multiple board representations should be left to the judgement of each Director given that time requirements for different board representations vary. As such, the NC and the Board have decided that there is no necessity to determine the maximum number of listed company board representations which a Director may hold at this point in time.

Corporate Governance Report (Cont'd)

Each member of the NC has abstained from reviewing and voting on any resolution relating to the assessment of his performance and independence, or his re-nomination as Director, or in any matter where he has an interest.

The Company does not have any alternate Director on Board.

Key information regarding the Directors, are set out on pages 12 to 13 of this annual report. None of the Directors hold shares in the subsidiaries of the Company.

5. BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The Board's performance is linked to the overall performance of the Group. The Board ensures that the Company is in compliance with the applicable laws, and members of our Board are required to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

The NC is responsible for assessing the effectiveness of the Board as a whole and the Board Committees, and for assessing the contribution of the Chairman and each individual Director to the effectiveness of the Board. The NC has established a review process by coming up with a set of proposed performance criteria which are set out in an assessment checklist ("**Board Assessment Checklist**") to be completed by the individual Directors and are to be approved by the Board. The NC assesses the Board's effectiveness as a whole by collating and analysing the results of the Board Assessment Checklist, which takes into consideration factors such as the Board's structure, conduct of meetings, risk management and internal control, and the Board's relationship with the Management. The NC also assesses the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. The NC assesses the individual Director's performance through self-assessment and peer review by completing the Individual Director Assessment Checklist and Director Peer Performance Evaluation Forms, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors.

In view of the size and composition of the Board, whereby at least two or all Independent Directors sit in the various Board Committees, the Board deems that there would be no value add for the NC to assess the effectiveness of each Board Committee.

The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

The Board and the NC have endeavoured to ensure that Directors appointed to the Board possess the background, experience, business knowledge, finance and management skills critical to the Group's business. They also ensure that each Director, with his unique skillsets, contributes to the Board by bringing with him an independent and objective perspective of matters to enable balanced and well-considered decisions to be made.

The Company did not engage any external facilitator for the evaluation process during FY2017. Where necessary, the NC will consider such an engagement.

6. ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Directors are furnished with detailed, adequate and timely information concerning the Group from the Management, to support their decision-making process and allow them to discharge their duties and responsibilities by acting in the best interest of the Group and its shareholders. Upon request, the Management will promptly provide any additional information needed for the Directors to make informed decisions.

Prior to each Board meeting, the members of the Board are each provided with the relevant documents such as Board papers, strategic plans, financials forecast and all other information necessary for them to comprehensively understand the issues to be deliberated upon and make informed decisions thereon.

Corporate Governance Report (Cont'd)

As a general rule, notices are sent to the Directors one week in advance of Board meetings, followed by the Board papers, in order for the Directors to be adequately prepared for the meetings.

The Board (whether individually or as a whole) has separate and independent access to the Management, internal auditors, external auditors and the Company Secretary at all times, and may seek independent professional advice, if necessary, at the expense of the Company. The Company Secretary attends all Board meetings and ensures that all Board procedures are followed. Where the Company Secretary is unable to attend any Board meeting, she ensures that a suitable replacement is in attendance and that proper minutes of the same are taken and kept. The Company Secretary also ensures that the Company complies with the requirements of the Companies Act, Chapter 50 of Singapore, and the Catalist Rules. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

7. REMUNERATION MATTERS

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC makes recommendations to the Board on the framework of remuneration, and the specific remuneration packages for each Director. The RC comprises Mr. Loy Soo Chew, Mr. Yau Thiam Hwa and Mr. Vincent Leow, all of whom are Independent Directors. The chairman of the RC is Mr. Loy Soo Chew.

The terms of reference of the RC have been approved and adopted. The duties and powers of the RC include the following:

(a) recommend to the Board a framework of remuneration for the Directors and Key Management;

(b) determine specific remuneration packages for each Executive Director and Key Management;

(c) review annually the remuneration of employees related to the Directors and substantial shareholders to ensure that their remuneration packages (including bonuses, pay increments and promotions) are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;

(d) review the Company's obligations arising in the event of termination of the Executive Directors and Key Management's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous with an aim to be fair and avoid rewarding poor performance;

(e) administer the Advancer Global Employee Share Option Scheme (the "**Advancer Global ESOS**") and Advancer Global Performance Share Plan (the "**Advancer Global PSP**"); and

(f) other acts as may be required by the Singapore Exchange Securities Trading Limited and the Code from time to time.

The members of the RC are familiar with executive compensation matters as they manage their own businesses and/or are holding other senior positions and directorships. The RC has access to expert advice regarding executive compensation matters, if required.

The RC's recommendations will be submitted for endorsement by the Board. No member of the RC or any Director is involved in deciding his own remuneration.

Corporate Governance Report (Cont'd)

8. LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

In setting remuneration packages, the RC takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and Key Management. The remuneration package is designed to allow the Company to better align the interests of the Executive Directors and Key Management with those of shareholders and link rewards to corporate and individual performance.

The Independent Directors receive directors' fees for their effort and time spent, responsibilities and level of contribution to the Board and Board Committees, and are subject to shareholders' approval at AGM.

The Company has entered into fixed-term service agreements with the Executive Directors, namely Mr. Desmond Chin, Mr. Gary Chin and Mr. Ong Eng Tiang. The service agreements are valid for an initial period of three years with effect from the date of admission of the Company to the Catalist. Upon the expiry of the initial period of three years, the employment of Mr. Desmond Chin, Mr. Gary Chin and Mr. Ong Eng Tiang shall be automatically renewed on a yearly basis on the same terms or otherwise on such terms and conditions as the parties may agree in writing. Following the initial period of three years, either party may terminate the service agreements at any time by giving the other party not less than six months' notice in writing.

The Company has also entered into separate employment contracts with the Key Management which provides for remuneration payable to them, annual leave entitlement and termination arrangements.

Remuneration for the Executive Directors comprises a basic salary component and a variable incentive bonus component that is based on the performance of the Group as a whole and the ability to meet certain profit targets. Key Management are paid basic salary and performance bonus is based on a yearly appraisal. All revisions to the remuneration packages for the Directors and Key Management are subjected to the review by and approval of the RC and the Board. Directors' fees are further subjected to the approval of the shareholders at the AGM.

Both the Advancer Global ESOS and the Advancer Global PSP form an integral component of the compensation plan and are designed primarily to reward and retain the Executive Directors, Non-Executive Directors (including the Independent Directors) and employees whose services are vital to Group's well-being and success.

Having reviewed the remuneration packages for the Directors and Key Management, which are considered to be moderate, the RC is of the view that there is no need to institute contractual provisions to allow the Company to reclaim incentive components in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss or fraud by Key Management.

9. DISCLOSURE ON REMUNERATION

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Board is of the view that full disclosure of the specific remuneration of each individual Director is not in the best interests of the Company, taking into account the sensitive nature of the subject, the high competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group, and that the current disclosure on a named basis and in bands of S$250,000 including the provision of a breakdown in percentage terms is sufficient.

Corporate Governance Report (Cont'd)

The level and mix of remuneration paid or payable to the Directors and Key Management for FY2017 are set out as follows:

Remuneration bands	Salary & CPF %	Bonus & CPF %	Director's Fee [(1)] %	Other Benefits %	Total %
Directors					
S$250,000 to below S$500,000					
Desmond Chin	62	38	-	-	100
Gary Chin	62	38	-	-	100
Ong Eng Tiang	62	38	-	-	100
Below S$250,000					
Loy Soo Chew	-	-	100	-	100
Yau Thiam Hwa	-	-	100	-	100
Vincent Leow	-	-	100	-	100
Key Management					
Below S$250,000					
Francis Chin	82	18	-	-	100
Li Ying	99	-	-	1	100

Note:

(1) *Directors' fees have been approved by the shareholders of the Company at the AGM held on 28 April 2017.*

The aggregate remuneration paid to the Key Management of the Company (who are not Directors or CEO) in FY2017 amounted to approximately S$446,000.

There are no termination, retirement or post-employment benefits that are granted to the Directors, CEO and the Key Management of the Group.

Save as disclosed below, there were no employees of the Company or its subsidiaries who were immediate family members of any Director or the CEO and whose remuneration exceeded S$50,000 during FY2017.

Remuneration bands	Salary & CPF %	Bonus & CPF %	Other Benefits %	Total %
S$50,000 to below S$100,000				
Seah Peet Yong [(1)]	93	7	-	100
Irene Chin Mui Nyuk @ Yin Mui Nyuk [(2)]	93	7	-	100
S$200,000 to below S$250,000				
Francis Chin [(2)]	82	18	-	100
Chin Chwee Hwa [(2)]	77	23	-	100

Notes:

(1) *Seah Peet Yong is the spouse of Gary Chin.*

(2) *Chin Chwee Hwa, Irene Chin Mui Nyuk @ Yin Mui Nyuk, Francis Chin, Desmond Chin and Gary Chin are sibilings.*

The Company had adopted the Advancer Global ESOS and Advancer Global PSP. The RC's duties include the administration of the Advancer Global ESOS and Advancer Global PSP.

Corporate Governance Report (Cont'd)

The aggregate number of shares over which the RC may grant options on any date, when added to the number of shares issued and issuable or transferred and to be transferred in respect of all options granted under the Advancer Global ESOS and the number of shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of our Company, shall not exceed 15% of the total number of issued shares (excluding shares held by our Company as treasury shares and subsidiary holdings) on the day immediately preceding the date on which an offer to grant an option is made.

The exercise price of the options shall be fixed by the RC at:

(a) the Market Price (as defined below); or

(b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the RC in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20.0% of the Market Price in respect of that option.

Market Price is the average of the last dealt prices for a share determined by reference to the daily Official List published by the SGX-ST for a period of 5 consecutive market days immediately prior to the relevant offer date provided always that in the case of a market day on which the shares are not traded on the SGX-ST, the last dealt price for shares on such market day shall be deemed to be the last dealt price of the shares on the immediately preceding market day on which the shares were traded.

Under the Advancer Global PSP, the maximum number of shares issuable or to be transferred by our Company pursuant to awards granted under the Advancer Global PSP on any date, when aggregated with the aggregate number of shares over which options or awards are granted under any other share option schemes or share schemes of our Company, will be 15% of our Company's total number of issued shares (excluding shares held by our Company as treasury shares and subsidiary holdings) on the day preceding that date.

During FY2017, there were 1,156,500 share options granted to the employees (not being a director or substantial shareholder) of which 30,000 was lapsed as at 31 December 2017 due to resignation of employee. Further details on the options or awards granted pursuant to the Advancer Global ESOS can be found in the Directors' Statement and Notes to the Financial Statements.

Since the commencement of the Advancer Global ESOS, there were no share options granted to the Directors, controlling shareholders and their associates, nor did any participant receive 5% or more of the total number of options available under the Advancer Global ESOS.

The RC from time to time and where necessary will seek advice from the external remuneration consultant in framing the remuneration policy and determining the level and mix of remuneration for Directors and Key Management. The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2017. None of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation or any form of benefits to be granted to him.

10. ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board understands its accountability to the shareholders on the Group's performance, financial position and prospects. The objectives of the presentation of the annual and interim financial statements announcements to its shareholders are to provide the shareholders with a balanced and understandable analysis and explanation of the Group's financial performance and position, and prospects. In line with the Catalist Rules, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements.

The Board keep itself abreast and is kept informed by Management of legislative and regulatory requirements. It is also guided by the Company's Catalist sponsor of any regulatory changes in the Catalist Rules.

The Management understands its role in providing all members of the Board with management accounts and such explanation as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Group's performance, financial position and prospects.

Corporate Governance Report (Cont'd)

11. RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost-effective control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

The internal auditors conduct annual reviews of the effectiveness and have presented their internal audit plan to the AC and the Board in FY2017, to assist the AC and the Board in their review of the Group's key risk management and internal control systems, including financial, operational, compliance and information technology controls. Any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the AC and the Board. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

The Board has received assurance from the CEO and the Chief Financial Officer (a) that the financial records have been properly maintained and the financial statements for the financial year ended 31 December 2017 give a true and fair view of the Company's operations and finances, and (b) regarding the effectiveness of the Company's risk management and internal control systems.

Based on the assurance from the CEO and Chief Financial Officer referred to in the preceding paragraph, the various internal controls put in place by the Group, the work performed and reports submitted by the internal auditors of the Group and the reviews carried out by the Board and the AC, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal control systems of the Group, addressing financial, operational, compliance and information technology controls, were adequate and effective as at 31 December 2017.

12. AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee with written terms of reference, which clearly set out its authority and duties.

The AC comprises Mr. Yau Thiam Hwa, Mr. Loy Soo Chew and Mr. Vincent Leow, all of whom are Independent Directors. The chairman of the AC is Mr. Yau Thiam Hwa. No former partner or Director of the Company's existing audit firm or auditing corporation is a member of the AC. The members of the AC have sufficient accounting or financial management expertise, as interpreted by the Board in its business judgment, to discharge the AC's functions.

The written terms of reference of the AC have been approved and adopted. The main duties and powers of the AC include:

(a) review with the external auditors the audit plans, their evaluation of the system of internal controls, their audit report, their management letter and the management's response thereto;

(b) review with the internal auditors the internal audit plans, which includes a review of the interested person transactions including the guidelines and procedures for the monitoring of all such transactions, and their evaluation of the adequacy of our internal control (including the effectiveness of the procedures in relation to compliance with the rules and regulations applicable to the Group's operations), accounting system and the management's response before submission of the results of such review to the Board for approval prior to the incorporation of such results in the Company's annual report (where necessary);

Corporate Governance Report (Cont'd)

(c) review and report to the Board, at least annually, the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and discuss issues and concerns, if any, prior to the incorporation of such results in the annual report;

(d) review the internal control and procedures and ensure co-ordination between the external and internal auditors and the Management, and review the assistance given by the Management to the auditors, and discuss problems and concerns, and any matters which the auditors may wish to discuss in the absence of the Management, where necessary;

(e) review the half yearly and annual, and quarterly if applicable, consolidated financial statements and any formal announcements relating to the Group's financial performance, and discuss on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, significant financial reporting issues and judgments, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements, concerns and issues arising from audits including any matters which the auditors may wish to discuss in the absence of management to ensure the integrity of the consolidated financial statements and the announcements relating the Group's financial performance, where necessary, before submission to the Board for approval;

(f) review and discuss with the external and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

(g) review the independence and objectivity of the external and internal auditors, taking into account the non-audit services provided by them, as well as consider the appointment or re-appointment of the external and internal auditors and matters relating to resignation or dismissal of the auditors, including approving the remuneration and terms of engagement of the external and internal auditors;

(h) make recommendations to the Board on the proposals to the Shareholders with regard to the appointment, re-appointment and removal of external and internal auditors, and approve the remuneration and terms of engagement of the auditors;

(i) review transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any), and approve any interested person transactions where the value thereof amount to 3% or more of the latest audited net tangible asset of our Group (either individually or as part of a series or are aggregated with other transactions involving the same interested person during the same financial year), or any agreement or arrangement with an interested person that is not in the ordinary course of business of the Group, prior to the Group's entry into the transaction, agreement or arrangement;

(j) review potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interest;

(k) review key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNET;

(l) review all hedging policies and instruments, if any, to be implemented by the Group;

(m) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee;

(n) generally undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time;

(o) review the policy and procedures by which the employees may, in confidence, raise concerns to the chairman of the AC on possible improprieties in matters of financial reporting or other matters, and ensure that there are arrangements in place for the independent investigations of such matter and for appropriate follow-up in relation thereto;

(p) review and discuss with investigators, any suspected fraud, irregularity, or failure of internal controls or suspected infringement of any relevant laws, rules or regulations of the jurisdictions in which the Group operates, which has or is likely to have a material impact on our Group's operating results or financial position, and our Management's response thereto;

Corporate Governance Report (Cont'd)

(q) review the effectiveness and adequacy of our administrative, operating, internal accounting and financial control procedures; and

(r) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time.

The AC has full authority to investigate any matter within its terms of reference, full access to and cooperation from the Management, and full discretion to invite any Director, executive officer or other employee of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

The AC meets with the external and internal auditors without the presence of the Management, at least annually. The external auditors were also invited to be present at AC meetings, as and when required, held during FY2017 to, *inter alia*, answer or clarify any matter on accounting and auditing or internal controls.

The external auditors update the AC on any changes in accounting standards impacting the financial statements of the Group before an audit commences.

The fees paid by the Company to the external auditors in FY2017 for audit and non-audit services amounted to S$273,840 and S$53,159 respectively. The AC, having undertaken a review of all non-audit services provided by the external auditors which relate to taxation services provided to the Group, is of the opinion that such services would not affect the independence of the external auditors.

The Company has complied with Rules 712 and 715 of the Catalist Rules in relation to its external auditors.

The Group has implemented a whistle-blowing policy. The policy aims to provide an avenue for employees and external parties to raise concerns about misconduct or improprieties in the Group and at the same time assure them that they will be protected from victimization for whistle-blowing in good faith. Cases that are significant are reviewed by the AC for adequacy of investigation actions and resolutions. The Company's Whistle-blowing policy is available on the Company's website at http://advancer.sg/our-company/whistleblow/.

The AC reviewed the financial statements of the Group and the Company before submitting them to the Board for its approval and the announcement of the financial results. The AC also reviewed and monitored the Group's and the Company's financial condition, internal and external audits, and the effectiveness of the Group's and the Company's system of accounting and internal controls.

Corporate Governance Report (Cont'd)

The following key audit matters were discussed between external auditors and Management, and reviewed by the AC.

Key Audit Matter	How the AC reviewed these matters and what decisions were made
Measurement - Period Adjustment to Goodwill	The AC considered the approach and methodology applied to the valuation model in assessing the fair value of contingent consideration as well as appropriateness of prior year measurement period adjustment to goodwill in connection to the business combination. The adjustment on business combination is an area of focus for the external auditors. The external auditors has included it as a key audit matter in the independent auditors' report for the financial year ended 31 December 2017. Please refer to page 39 to 40 of this Annual Report.
Impairment Assessment on Goodwill and Intangible Assets	The AC considered the approach and methodology applied to the valuation model in goodwill impairment assessment as well as the assessment for indicators of impairment of intangible assets. The external auditors shared their approach to the impairment review as part of their presentation of the detailed audit plan and final audit findings. The impairment review is an area of focus for the external auditors. The external auditors has included it as a key audit matter in the independent auditors' report for the financial year ended 31 December 2017. Please refer to page 40 of this Annual Report.

13. INTERNAL AUDIT

Principle 13: The company should establish an internal audit function that is adequately resourced and independent of the activities it audits.

The Board recognises the importance of maintaining a sound system of internal controls to safeguard the shareholders' investments and the Group's assets. The Company outsources the internal audit function to an internationally recognised external professional firm to perform the internal audit function, review and test of controls of the Group's processes. The AC approves the appointment of the internal auditors, given its adequate resources and experience. The internal auditors report directly to the chairman of the AC and has full access to the Company's documents, records, properties and personnel.

The internal auditors plan its internal audit schedules in consultation with, but independent of, the Management. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit. The AC will review the activities of the internal auditors, including overseeing and monitoring of the implementation of improvements required on internal control weaknesses identified.

The AC is satisfied with the adequacy and effectiveness of the Company's internal audit function, which is reviewed by the AC annually.

14. SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNET. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable due to confidentiality reasons. The Company does not practice preferential and selective disclosure to any group of shareholders.

Corporate Governance Report (Cont'd)

Shareholders are informed on a timely basis of general meetings through notices published in the newspapers and through reports or circulars sent to all shareholders. The Board strongly encourages shareholders' participation during the general meetings. Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures.

The Constitution of the Company allows a member who is a relevant intermediary to appoint more than two proxies to attend AGMs, so that shareholders who hold shares through a relevant intermediary can attend and participate in general meetings as proxies.

15. COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company recognises that effective communication leads to transparency and enhances accountability. The Company regularly conveys pertinent information, gathers views or input, and addresses shareholders' concerns. In this regard, the Company provides timely information to its shareholders via SGXNET announcements and news releases and ensures that price-sensitive information is publicly released and is announced within the mandatory period. The Company does not practice selective disclosure.

The Company has outsourced its investor relations function to Equitique Communications Pte. Ltd., who facilitates communications with shareholders and analysts, attend to their queries or concerns and keep them apprised of the Group's corporate developments and financial performance.

The Company currently does not have a fixed dividend policy. The form, frequency and amount of future dividends that the Directors may recommend or declare in respect of any particular year or period will be subject to the factors outlined below as well as any other factors deemed relevant by the Directors:

- the Company's financial position, results of operations and cash flow;
- the ability of the subsidiaries to make dividend payments to the Company;
- the expected working capital requirements to support the Group's future growth;
- the ability to successfully implement the Group's future plans and business strategies;
- the passage of new laws, adoption of new regulations or changes to, or in the interpretation or implementation of, existing laws and regulations governing the operations;
- general economic conditions and other factors specific to the industry or specific projects; and
- any other factors deemed relevant by the directors at the material time.

The Board intends to declare and distribute dividends of at least 50.0% of the Company's net profit after tax attributable to owners of the Group in each of FY2017 and FY2018 to its shareholders.

During FY2017, the Board proposed an interim dividend and a final dividend of S$0.0049 per share and S$0.0034 per share respectively, amounting in aggregate to a full year dividend of S$0.0083 per share. The full year dividend payout for FY2017 constitutes 50.4% of net profit after tax attributable to owners of the Company in FY2017 and will be subject to shareholders' approval at the forthcoming AGM.

Corporate Governance Report (Cont'd)

16. CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders and allow shareholders the opportunity to communicate their views on various matters affecting the company.

All shareholders of the Company will receive the notice of the AGM and the annual report will be published on the Company's website and made available on SGXNET. The notice will also be advertised in a local newspaper and made available on SGXNET. The Company encourages shareholders' participation at AGMs, and all shareholders are given the opportunity to voice their views and to direct queries regarding the Group to Directors, including the chairperson of each of the Board Committees. The Company's external auditors are also present to assist the Board in addressing any relevant queries from shareholders. Minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management, are available to shareholders upon their request.

The Company also ensures that there are separate resolutions at general meetings on each distinct issue. The Board supports the Code's principle of encouraging shareholder participation. The Constitution of the Company currently allows a member of the Company to appoint up to two proxies to attend and vote at general meetings. The Company will put all resolutions to vote by poll and announce the detailed results after the conclusion of the AGM.

DEALINGS IN SECURITIES

In compliance with the Catalist Rules on dealings in securities, Directors and employees of the Company are advised not to deal in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company shall not deal in and prohibits dealings in its shares by its Directors, officers and employees of the Group, who are in possession of unpublished price sensitive information, during the period commencing one month before the announcement of the Company's half-year and full-year financial statements and ending on the date of the announcement of the results.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

During FY2017, the Group did not enter into any interested person transactions of S$100,000 and more. The Group does not have a general mandate pursuant to Rule 920 of the Catalist Rules for interested person transactions.

MATERIAL CONTRACTS

There were no material contracts of the Group involving the interests of the CEO, each Director or controlling shareholder, either still subsisting at the end of FY2017 or if not then subsisting.

Corporate Governance Report (Cont'd)

NON-SPONSOR FEES

For FY2017, no non-sponsor fees were paid to its sponsor, SAC Capital Private Limited.

USE OF IPO PROCEEDS

As at the date of this report, the utilisation of the net proceeds from the Company's initial public offering as at the date of this report is set out as below:

	Amount allocated	Amount utilised	Balance of net proceeds
	S$ million	S$ million	S$ million
Expansion of business operations	6.40	(6.40)	-
Branding and marketing	0.30	(0.26)	(0.04)
General corporate and working capital purposes [1]	0.84	(0.84)	-
	7.54	(7.50)	(0.04)

Note:

[1] Breakdown of the general corporate and working capital requirements:

	S$'000
Professional and listing related expenses	150
Administrative expenses	190
Cost of services – staff costs	500
	840

USE OF PLACEMENT PROCEEDS

As at the date of this report, the utilisation of net placement proceeds from Company's issue and allotment of 12,500,000 placement shares on 17 May 2017 is set out as below:

	Amount allocated	Amount utilised	Balance of net proceeds
	S$ million	S$ million	S$ million
Expansion of business operations	3.62	(3.62)	-
General corporate and working capital purposes [1]	1.20	(1.12)	0.08
	4.82	(4.74)	0.08

Note:

[1] Breakdown of the general corporate and working capital requirements:

	S$'000
Professional and listing related expenses	718
Administrative expenses – staff costs	373
Administrative expenses – others	28
	1,119

Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Advancer Global Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2017.

1. Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group, and the statement of financial position and the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "**Act**") and Singapore Financial Reporting Standards ("**FRSs**"); and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Executive directors
Chin Mui Hiong (Chairman)
Chin Mei Yang (Chief Executive Officer)
Ong Eng Tiang

Independent directors
Loy Soo Chew (Lead)
Vincent Leow
Yau Thiam Hwa

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as disclosed below:

Name of the directors and respective companies in which interests are held	Direct interest As at 1 January 2017	Direct interest As at 31 December 2017
The Company	**Number of ordinary shares**	
Chin Mui Hiong	37,138,249	37,138,249
Chin Mei Yang	30,572,337	30,572,337
Ong Eng Tiang	19,753,682	19,753,682

Directors' Statement (Cont'd)

4. Directors' interests in shares or debentures (Continued)

By virtue of Section 7 of the Act, Chin Mui Hiong is deemed to have an interest in all related corporations of the Company.

The directors' interests in the shares and options of the Company on 21 January 2018 were the same as at 31 December 2017.

5. Advancer Global Employee Share Option Scheme

The Employee Share Option Scheme (the "**ESOS**") of the Company was approved and adopted on 6 June 2016. The ESOS is administered by the Company's Remuneration Committee, which comprises three independent directors:

Loy Soo Chew
Yau Thiam Hwa
Vincent Leow

The ESOS entitles the option holder to subscribe for a specific number of ordinary shares in the Company at a subscription price per share determined with reference to the market price of the share at the time of grant of option.

Other information regarding the ESOS is set out below:

1. Group employees (including Directors of the Company) who have attained the age of 21 years and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have been in the employment of the Group for a period of at least 12 months, or such shorter period as the Remuneration Committee may determine, are eligible to participate in the ESOS.

2. The maximum discount shall not exceed 20% of the market price on the date of the grant of the options.

3. The options granted with the exercise price set at market price should only be exercised after the first anniversary from the grant date and before the tenth anniversary of the grant date.

4. The option granted with exercise price set at a discount to market price should only be exercised after the second anniversary from the grant date and before the tenth anniversary of the grant date.

5. The option shall immediately lapse and become null and void when the participant cease to be in employment of the Group.

6. All options are settled by delivery of shares.

The details of the options movement during the financial year are as follows:

Date of grant	Balance as at 1 January 2017	Granted	Exercised	Lapsed	Balance as at 31 December 2017	Exercise price per share (S$)	Exercisable Period
20 April 2017	-	1,156,500	-	(30,000)	1,126,500	0.40	19 April 2019 to 19 April 2022

Since the commencement of the ESOS, no options have been granted to the controlling shareholders and directors of the Company or their associates and no participants under the ESOS have been granted 5% or more of the total number of options available under the ESOS.

Directors' Statement (Cont'd)

5. Advancer Global Employee Share Option Scheme (Continued)

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

6. Warrants

The Company issued 6,250,000 warrants (the "**Warrant Issue**") on 17 May 2017 with each warrant carrying the right to subscribe for one new ordinary in the capital of the Company (the "**Warrant Share**") at the exercise price of S$0.45 per Warrant Share during the period commencing on and including the date of the Warrant Issue and expiring on the market day immediately preceding the third anniversary of the date of the Warrant Issue.

As at 31 December 2017, the details of the warrants issued by the Company are set out as below:

Date of issue	Warrants issued	As at 31 December 2017	Exercise price per share (S$)	Expiry date
17 May 2017	6,250,000	6,250,000	0.45	16 May 2020

7. Audit Committee

The Audit Committee ("**AC**") of the Company comprises three independent directors. The members of the AC at the date of this statement are:

Yau Thiam Hwa (Chairman)
Loy Soo Chew
Vincent Leow

The AC has convened two meetings during the financial year with key management and the internal and external auditors of the Company.

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50. In performing those functions, the AC reviews:

(i) the audit plan and results of the external audit, and the independence and objectivity of the external auditors, including the review of the extent of non-audit services provided by the external auditors to the Group, and the assistance given by the Group's and the Company's management to the external auditors;

(ii) the audit plans of the internal auditors of the Group, the evaluation of the adequacy of the Group's system of internal accounting controls, and the assistance given by the Group's and the Company's management to the internal auditors;

(iii) the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the Board of Directors;

(iv) the half-yearly and annual announcements, and the related press releases on the results of the Group and financial position of the Group and of the Company including significant adjustments resulting from audit, significant financial reporting issues and judgements as well as compliance with accounting standards;

(v) the effectiveness of the Group's and the Company's material internal controls, including financial, operational, compliance and information technology controls, and risk management systems via reviews carried out by the internal auditors;

Directors' Statement (Cont'd)

7. Audit Committee (Continued)

(vi) met with the external auditors, internal auditors, other committees, and management in separate executive sessions to discuss suspected fraud or irregularity (if any), potential conflicts of interests (if any), and any matters that these groups believe should be discussed privately with the AC;

(vii) the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(viii) the interested person transactions in accordance with Singapore Exchange Securities Trading Limited's Listing Manual;

(ix) the nomination of external auditors recommended to the Board of Directors and approves their compensation; and

(x) the submission of report of actions and minutes of the AC to the Board of Directors with any recommendations as the AC considers deemed appropriate.

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the AC.

The AC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, Mazars LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

8. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Chin Mui Hiong
Director

Chin Mei Yang
Director

Singapore
21 March 2018

Independent Auditors' Report

To the Members of Advancer Global Limited

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Advancer Global Limited (the "**Company**") and its subsidiaries (the "**Group**") which comprise the statements of financial position of the Group and of the Company as at 31 December 2017, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on page 43 to 110.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "**Act**") and Financial Reporting Standards in Singapore ("**FRSs**") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis of Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgment in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Scope of audit

For the audit of the current year's financial statements, we performed full scope audit of all 23 components as the appointed statutory auditors, and we identified 4 significant components either because of their size or/and their risk characteristics.

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgments and estimates to be made by directors.

We will elaborate on the salient areas of focus as follows:

- Measurement - Period Adjustment to Goodwill; and
- Impairment Assessment on Goodwill and Intangible Assets.

Independent Auditors' Report (Cont'd)

To the Members of Advancer Global Limited

Report on the Audit of Financial Statements (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters include the aforementioned salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement-Period Adjustment to Goodwill

Refer to Note 3.3 (Business Combinations) for relevant accounting policy and Note 14(f) (Investments in Subsidiaries) for disclosures of the business combination accounting applied to the acquisition.

Key Audit Matter	Audit response
On 1 November 2016 (the "**Acquisition Date**"), the Group acquired 100% equity interest in Premier Eco-Care Pte. Ltd., Prestige Enviro-Care Pte. Ltd. and Green Management Pte. Ltd. (collectively referred herein as "**Premier Group**"). The Group recorded goodwill of S$977,000 as of the Acquisition Date based on purchase consideration of S$3.0 million. We became aware during the course of our audit of the financial statements for the financial year ended 31 December 2017 that the Group and the Vendors have agreed on contingent consideration (the "**Contingent Consideration**") to be paid out, conditional on the Premier Group achieving certain value-in-use thresholds (the "**VIU**") as of the Acquisition Date. The disclosure of the Contingent Consideration was not made by the management in the financial statements as of 31 December 2016 as they assessed the fair value of the Contingent Consideration to be insignificant. Management has included necessary and relevant information relating to the Contingent Consideration in the financial statements for the financial year ended 31 December 2017. During the measurement period (i.e. one year from the Acquisition Date), management obtained additional information relating to ship fumigation revenue stream which reflected facts and circumstances existing as of the Acquisition Date which, if known as of then, would have resulted in their revisions of the VIU and their re-assessment of the probability of the Premier Group achieving the VIU threshold(s).	Our audit procedures included, and were not limited to, the following: • Obtained evidence to support the existence of Contingent Consideration of the Group as of Acquisition Date and verified the terms and conditions existing as of Acquisition Date with relevant third parties; • Obtained and critically challenged management as to whether the additional information related to facts and circumstances existing as of the Acquisition Date; • Evaluated the qualifications and competence of the external valuer; read the terms of engagement of the valuer with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work; • Critically challenged the valuation methodology used to determine the fair value of the Contingent Consideration, which includes the consideration of the management's use of the key assumptions and estimates in the calculation fo the VIU and their determination of the probability of payout of the Contingent Consideration; and • Ascertained the completeness and accuracy of the related disclosures made in the financial statements.

Independent Auditors' Report (Cont'd)

To the Members of Advancer Global Limited

Report on the Audit of Financial Statements (Continued)

Key Audit Matters (Continued)

Measurement-Period Adjustment to Goodwill (Continued)

Refer to Note 3.3 (Business Combinations) for relevant accounting policy and Note 14(f) (Investments in Subsidiaries) for disclosures of the business combination accounting applied to the acquisition.

Key Audit Matter	Audit response
Accordingly, with reference to FRS 103 Business Combinations, in consultation of their valuation expert, the management retrospectively adjusted the fair value of the Contingent Consideration and consequently adjusted the goodwill as of the Acquisition Date to S$4.0 million. Other than these adjustments, no other adjustments were made. This is a key audit matter as significant judgment was required in determining whether the additional information obtained by the management during the measurement period related to measurement period adjustment and the determination of the fair value of the Contingent Consideration as of the Acquisition Date.	

Impairment Assessment on Goodwill and Intangible Assets

Refer to Note 4 for critical accounting judgments and key sources of estimation uncertainty, and Note 12 (Goodwill on Consolidation) and Note 13 (Intangible Assets) for disclosures relating to the impairment assessment.

Key Audit Matter	Audit response
As at 31 December 2017, the Group reported goodwill and intangible assets arising from acquisition of subsidiaries with carrying values amounting to S$5.5 million and S$1.6 million respectively. Management is required to assess at the end of each reporting period whether there is any indication that the intangible assets may be impaired. If any such indication exists, the management shall estimate the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, the management is required to perform an impairment assessment of goodwill annually. The recoverable amounts are determined based on estimates of forecasted revenues, growth rates and discount rates. These estimates require significant judgement and hence the determination of the recoverable amounts is a key focus area in our audit.	Our audit procedures include, and are not limited to, the following: • Discussed with management on their revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers, and obtained the list of secured and lost contracts; • Evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's estimates applied in the value-in-use models, with comparison to recent performance, trend analysis and market expectations; • Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the cash-generating-units subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements; and • Critically assessed the management's assessment of definite life intangibles for indicators of impairment.

Independent Auditors' Report (Cont'd)

To the Members of Advancer Global Limited

Report on the Audit of Financial Statements (Continued)

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements, the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report (Cont'd)

To the Members of Advancer Global Limited

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is G Arull.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
21 March 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year ended 31 December 2017

	Note	Group 2017	Group 2016
		S$'000	S$'000
Revenue	5	65,260	50,909
Cost of services		(46,403)	(37,354)
Gross profit		18,857	13,555
Other operating income	6	1,320	2,747
Administrative expenses		(16,701)	(12,896)
Finance expenses	7	(101)	(106)
Profit before income tax	8	3,375	3,300
Income tax expense	10	(262)	(504)
PROFIT FOR THE FINANCIAL YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		3,113	2,796
Profit for the financial year attributable to:			
Owners of the Company		3,056	2,675
Non-controlling interests		57	121
Profit for the financial year		3,113	2,796
Earnings per share attributable to owners of the Company (cents per share)			
Basic and diluted	11	1.69	1.54

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Financial Position

As at 31 December 2017

	Note	Group 2017	Group 2016	Company 2017	Company 2016
		S$'000	S$'000 (Restated)	S$'000	S$'000
ASSETS					
Non-current assets					
Goodwill on consolidation	12	5,489	5,343	-	-
Intangible assets	13	1,597	2,159	-	-
Investments in subsidiaries	14	-	-	11,404	11,371
Investment in associate	15	2	-	-	-
Available-for-sale financial assets	16	99	99	-	-
Property, plant and equipment	17	2,511	1,488	-	-
Total non-current assets		9,698	9,089	11,404	11,371
Current assets					
Inventories	19	38	26	-	-
Trade and other receivables	20	16,622	11,088	6,740	1,563
Cash and cash equivalents	21	8,033	8,238	1,182	1,684
Total current assets		24,693	19,352	7,922	3,247
Total assets		34,391	28,441	19,326	14,618
EQUITY AND LIABILITIES					
Equity					
Share capital	22	18,378	13,562	18,378	13,562
Retained earnings		6,163	4,761	635	848
Other reserves	23	(2,920)	(2,603)	36	-
Equity attributable to owners of the Company		21,621	15,720	19,049	14,410
Non-controlling interests		444	457	-	-
Total equity		22,065	16,177	19,049	14,410
Non-current liabilities					
Deferred tax liabilities	18	319	426	-	-
Finance lease payables	25	485	617	-	-
Bank borrowings	27	649	-	-	-
Total non-current liabilities		1,453	1,043	-	-
Current liabilities					
Finance lease payables	25	135	164	-	-
Trade and other payables	26	9,608	9,986	277	208
Bank borrowings	27	630	597	-	-
Income tax payable		500	474	-	-
Total current liabilities		10,873	11,221	277	208
Total liabilities		12,326	12,264	277	208
Total equity and liabilities		34,391	28,441	19,326	14,618

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Changes in Equity

For the Financial Year ended 31 December 2017

		Attributable to owners of the Company							
Group	**Note**	**Share capital**	**Retained earnings**	**Share options reserve**	**Capital reserve**	**Merger reserve**	**Total**	**Non-controlling interests**	**Total equity**
		S$'000	**S$'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 year, representing total comprehensive income for the financial year		-	2,675	-	-	-	2,675	121	2,796
Adjustments pursuant to the Restructuring Exercise		(1,405)	-	-	(813)	(2,603)	(4,821)	-	(4,821)
Issuance of ordinary shares pursuant to Initial Public Offering ("IPO")	22	14,281	-	-	-	-	14,281	-	14,281
IPO expenses	22	(719)	-	-	-	-	(719)	-	(719)
Acquisition of subsidiaries		-	-	-	-	-	-	269	269
Dividends declared	34	-	(606)	-	-	-	(606)	-	(606)
Balance at 31 December 2016		13,562	4,761	-	-	(2,603)	15,720	457	16,177
Profit for the financial year, representing total comprehensive income for the financial year		-	3,056	-	-	-	3,056	57	3,113
Issuance of ordinary shares	22	5,000	-	-	-	-	5,000	-	5,000
Share issuance expenses	22	(184)	-	-	-	-	(184)	-	(184)
Share options expenses pursuant to the ESOS	24	-	-	36	-	-	36	-	36
Acquisition of remaining non-controlling interest in a subsidiary		-	-	-	(353)	-	(353)	(124)	(477)
Acquisition of a subsidiary		-	-	-	-	-	-	18	18
Non-controlling interests investment in a subsidiary		-	-	-	-	-	-	180	180
Dividends declared to non-controlling interests		-	-	-	-	-	-	(144)	(144)
Dividends declared	34	-	(1,654)	-	-	-	(1,654)	-	(1,654)
Balance at 31 December 2017		18,378	6,163	36	(353)	(2,603)	21,621	444	22,065

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Changes in Equity (Cont'd)

For the Financial Year ended 31 December 2017

Company	Note	Share capital	Retained earnings	Share options reserve	Total
		S$'000	S$'000	S$'000	S$'000
Balance at 2 February 2016 (date of incorporation)		*	-	-	*
Profit for the financial period, representing total comprehensive income for the financial period		-	1,454	-	1,454
Issuance of ordinary shares pursuant to IPO	22	14,281	-	-	14,281
IPO expenses	22	(719)	-	-	(719)
Dividends declared	34	-	(606)	-	(606)
Balance at 31 December 2016		13,562	848	-	14,410
Profit for the financial year, representing total comprehensive income for the financial year		-	1,441	-	1,441
Issuance of ordinary shares	22	5,000	-	-	5,000
Share issuance expenses	22	(184)	-	-	(184)
Share options expenses pursuant to the ESOS		-	-	36	36
Dividends declared	34	-	(1,654)	-	(1,654)
Balance at 31 December 2017		18,378	635	36	19,049

* *Denotes amount less than S$1,000*

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

For the Financial Year ended 31 December 2017

	Note	Group 2017 S$'000	Group 2016 S$'000
Operating activities			
Profit before income tax		3,375	3,300
Adjustments for:			
Allowance made for doubtful receivables (trade)	20	71	-
Amortisation of intangible assets	13	599	241
Bad debts recovered	6	(*)	-
Bad debts written-off	8	7	-
Depreciation of property, plant and equipment	17	556	368
(Gain)/Loss on disposal of property, plant and equipment, net	6, 8	(19)	9
IPO expenses	8	-	899
Interest expense	7	101	106
Interest income	6	(15)	(14)
Property, plant and equipment written-off	8	3	9
Share options expenses pursuant to the ESOS	8	36	-
Write back of allowance for doubtful receivables	6, 20	-	(383)
Operating cash flows before movements in working capital		4,714	4,535
Changes in working capital:			
Inventories		(12)	23
Trade and other receivables		(1,893)	(201)
Trade and other payables		439	537
Cash generated from operations		3,248	4,894
Interest received		15	14
Income taxes paid		(349)	(579)
Net cash generated from operating activities		2,914	4,329
Investing activities			
Acquisition of non-controlling interests in a subsidiary	14(d)	(477)	-
Net cash outflow on acquisition of subsidiaries	14	(1,152)	(4,772)
Investment in an associate company	15	(2)	-
Loan to an associate company	20	(3,719)	-
Non-controlling interests arising from investment in a subsidiary	14(e)	180	-
Proceeds from disposal of property, plant and equipment		54	30
Purchase of property, plant and equipment	17	(886)	(484)
Net cash used in investing activities		(6,002)	(5,226)

* *Denotes amount less than S$1,000*

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows (Cont'd)

For the Financial Year ended 31 December 2017

	Note	Group 2017 S$'000	Group 2016 S$'000
Financing activities			
Dividends paid to owners of the Company	34	(1,654)	(2,606)
Interest paid		(98)	(106)
IPO expenses		-	(1,675)
Placement of pledged fixed deposit with bank		-	(5)
Proceeds from bank borrowings		600	597
Proceeds from issuance of new shares pursuant to IPO	22	-	9,460
Proceeds from issuance of new shares	22	5,000	-
Share issue expenses	22	(184)	-
Repayment of bank borrowings		(606)	(895)
Repayment of finance lease payables		(164)	(89)
Repayment to directors		(11)	(10)
Repayment to related parties		-	(76)
Net cash generated from financing activities		2,883	4,595
Net (decrease)/increase in cash and cash equivalents		(205)	3,698
Cash and cash equivalents at beginning of financial year		8,233	4,535
Cash and cash equivalents at end of financial year	21	8,028	8,233

Reconciliation of liabilities arising from financing activities not disclosed in notes:

		Financing cash outflows		Non-cash movements		
	As at 1 January 2017	Interest paid	Repayment made, net	Purchase of property, plant and equipment [(1)]	Interest expense	As at 31 December 2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Liabilities						
Bank borrowings	597	(61)	(6)	688	61	1,279
Finance lease	781	(37)	(164)	-	40	620
Amount due to director	11	-	(11)	-	-	-

Note:

(1) *S$688,000 worth of property, plant and equipment was acquired by means of bank loan.*

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

For the Financial Year ended 31 December 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Advancer Global Limited (the "**Company**") (Registration Number: 201602681W) is a limited liability company incorporated on 2 February 2016 and is domiciled in Singapore, and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The registered office and principal place of business of the Company is located at 135 Jurong Gateway Road, #05-317, Singapore 600135.

The principal activity of the Company is that of investment holding.

The principal activities of the respective subsidiaries are disclosed in Note 14 to the financial statements.

The consolidated financial statements of the Group, and the statement of financial position and the statement of changes in equity of the Company for the financial year ended 31 December 2017 were authorised for issue by the Board of Directors on 21 March 2018.

2. Restructuring exercise

The Company was incorporated on 2 February 2016 under the name of Advancer Global Pte. Ltd.. On date of incorporation, the issued and paid-up share capital of the Company was S$1.00 comprising 1 ordinary share.

To consolidate the business activities of the Group, a restructuring exercise (the "**Restructuring Exercise**") was undertaken as follows.

2.1 Incorporation of the Company, Advancer Global Manpower Pte. Ltd., Advancer Global Facility Pte. Ltd. and Advancer Global Security Pte. Ltd.

The Company was incorporated on 2 February 2016 in Singapore in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital of S$1.00 comprising one ordinary share held by Chin Mei Yang.

The Company incorporated Advancer Global Manpower Pte. Ltd. (the "**Advancer Manpower**") on 30 May 2016, a wholly-owned subsidiary, with an issued and paid-up share capital of S$1.00 comprising one ordinary share.

The Company incorporated Advancer Global Facility Pte. Ltd. (the "**Advancer Facility**") on 30 May 2016, a wholly-owned subsidiary, with an issued and paid-up share capital of S$1.00 comprising one ordinary share.

The Company incorporated Advancer Global Security Pte. Ltd. (the "**Advancer Security**") on 30 May 2016, a wholly-owned subsidiary, with an issued and paid-up share capital of S$1.00 comprising one ordinary share.

2.2 Acquisition of APAC Cities Employment Pte. Ltd. ("APAC Cities"), Enreach Employment Pte. Ltd. ("Enreach"), Nation Human Resources Pte. Ltd. ("Nation Human"), and Nation Employment Pte Ltd ("Nation Employment") (collectively, the "Manpower Companies")

Pursuant to an agreement between the Company, Advancer Manpower and existing shareholders of APAC Cities, Enreach, Nation Human, Nation Employment (collectively, the "**Manpower Vendors**"), the Advancer Manpower acquired all of the issued and paid-up share capital based on respective net asset value ("**NAV**") of Manpower Companies as at 31 December 2015 for an aggregate purchase consideration of S$647,957 ("**Purchase Consideration**"), and was satisfied by (a) Advancer Manpower alloted and issued 647,957 shares at S$1.00 each, equivalent to the aggregate consideration of S$647,957 to the Company; and (b) the Company alloted and issued 647,957 shares of Advancer Global Limited ("**Listco Shares**") at S$1.00 each, equivalent to the aggregate consideration of S$647,957 to the Manpower Vendors.

Notes to the Financial Statements

For the Financial Year ended 31 December 2017

2. Restructuring exercise (Continued)

2.2 Acquisition of APAC Cities Employment Pte. Ltd. ("APAC Cities"), Enreach Employment Pte. Ltd. ("Enreach"), Nation Human Resources Pte. Ltd. ("Nation Human"), and Nation Employment Pte Ltd ("Nation Employment") (collectively, the "Manpower Companies") (Continued)

(a) Acquired 100% interest in APAC Cities which was incorporated on 21 November 2012 for a Purchase Consideration of S$2,666. The shareholders prior to the acquisition were Chin Swee Siew @ Chen Yin Siew, Chin Mei Yang and Chin Mui Hiong ("**Chin Brothers**").

(b) Acquired 100% interest in Enreach which was incorporated on 19 September 2009 for a Purchase Consideration of S$62,624. The shareholders prior to the acquisition were Chin Brothers and Tay Swee Hoon. Subsequent to the acquisition, Tay Swee Hoon renounced her entitlement to two (2) Listco Shares and directed the Company to issue two (2) Listco Shares to Chin Mui Hiong.

(c) Acquired 100% interest in Nation Human which was incorporated on 1 December 2011 for a Purchase Consideration of S$4,481. The shareholders prior to the acquisition were Chin Brothers.

(d) Acquired 100% interest in Nation Employment which was incorporated on 30 June 1994 for a Purchase Consideration of S$578,186. The shareholders prior to the acquisition were Chin Brothers.

2.3 Acquisition of First Stewards Private Limited ("First Stewards"), World Clean Facility Services Pte. Ltd. ("World Clean"), Master Clean Facility Services Pte. Ltd. ("Master Clean") and Unipest Pte. Ltd. ("Unipest") (collectively, the "Facility Companies")

Pursuant to an agreement between the Company, Advancer Facility and existing shareholders of First Stewards, World Clean, Master Clean and Unipest (collectively, the "**Facility Vendors**"), the Advancer Facility acquired all of the issued and paid-up share capital based on respective NAV of Facility Companies as at 31 December 2015 for an aggregate Purchase Consideration of S$2,795,432, and was satisfied by (a) Advancer Facility alloted and issued 2,795,432 shares at S$1.00 each, equivalent to the aggregate consideration of S$2,795,432 to the Company; and (b) the Company alloted and issued 2,795,432 Listco Shares at S$1.00 each, equivalent to the aggregate consideration of S$2,795,432 to the Facility Vendors.

(a) Acquired 100% interest in First Stewards which was incorporated on 9 September 1999 for a Purchase Consideration of S$1,139,250. The shareholder prior to the acquisition was D8 Management Pte Ltd. Subsequent to the acquisition, D8 Management Pte Ltd renounced its entitlement to 1,139,250 Listco Shares and directed the Company to issue 1,139,250 Listco Shares to Chin Brothers, Ong Eng Tiang and Teo Sau Keong.

(b) Acquired 100% interest in World Clean which was incorporated on 2 January 2003 for a Purchase Consideration of S$547,286. World Clean was acquired by Chin Brothers, Ong Eng Tiang and Teo Sau Keong on 1 January 2014. Prior to the acquisition by Advancer Facility, all shares in the issued and paid-up share capital of World Clean were held by Chin Chwee Hwa and Sing Chee Ngee in trust for Chin Brothers, Ong Eng Tiang and Teo Sau Keong. Subsequent to the acquisition, Chin Chwee Hwa and Sing Chee Ngee renounced their entitlement to 547,286 Listco Shares and directed the Company to issue 547,286 Listco Shares to Chin Brothers, Ong Eng Tiang and Teo Sau Keong.

(c) Acquired 100% interest in Master Clean which was incorporated on 29 March 2005 for a Purchase Consideration of S$842,742. The shareholders prior to the acquisition were Chin Brothers and Ong Eng Tiang.

(d) Acquired 80% interest in Unipest which was incorporated on 28 May 2009 for a Purchase Consideration of S$266,154. Unipest was acquired by Chin Swee Siew @ Chen Yin Siew on 1 January 2015. Prior to the acquisition by Advancer Facility, Chin Brothers, Ong Eng Tiang and Teo Sau Keong hold total of 80% shares in the issued and paid-up share capital of Unipest.

Notes to the Financial Statements

For the Financial Year ended 31 December 2017

2. Restructuring exercise (Continued)

2.4 Acquisition of KC Security & Investigation Services Pte. Ltd. ("KC") and KH Security Agency Pte. Ltd. ("KH") (collectively, the "Security Companies")

Pursuant to an agreement between the Company, Advancer Security and existing shareholders of KC and KH (collectively, the "**Security Vendors**"), the Advancer Security acquired all of the issued and paid-up share capital based on respective NAV of Security Companies as at 31 December 2015 for an aggregate Purchase Consideration of S$1,377,818, and was satisfied by (a) Advancer Security alloted and issued 1,377,818 shares at S$1.00 each, equivalent to the aggregate consideration of S$1,377,818 to the Company; and (b) the Company alloted and issued 1,377,818 Listco Shares at S$1.00 each, equivalent to the aggregate consideration of S$1,377,818 to the Security Vendors.

(a) Acquired 100% interest in KC which was incorporated on 8 May 2002 for a Purchase Consideration of S$516,386. The shareholder prior to the acquisition was Total Guardian Holdings Pte Ltd. Subsequent to the acquisition, Total Guardian Holdings Pte Ltd renounced its entitlement to 516,386 Listco Shares and directed the Company to issue 516,386 Listco Shares to Chin Brothers, Ong Eng Tiang and Teo Sau Keong.

(b) Acquired 100% interest in KH which was incorporated on 30 April 2007 for a Purchase Consideration of S$861,432. The shareholders prior to the acquisition were Chin Brothers, Ong Eng Tiang and Teo Sau Keong.

Following completion of the Restructuring Exercise, details of the Company's subsidiaries are disclosed in Note 14.

The Group resulting from the above Restructuring Exercise is regarded as a continuing entity throughout the financial period from 1 January 2015 to 1 June 2016, the date of completion of Restructuring Exercise (the "**Relevant Period**') as the Group is ultimately controlled by the common shareholders both before and after the Restructuring Exercise. Although the Company is only incorporated on 2 February 2016, the consolidated financial statements of the Group for the Relevant Period have been prepared using the principles of merger accounting on the basis that the Restructuring Exercise transfers the equity interest in the combining entities under the common control of the Company has been effected as at the beginning of the Relevant Periods presented in these consolidated financial statements, or since their respective dates of establishment whichever is the shorter period. Accordingly, the assets and liabilities of these entities have been included in the consolidated financial statements at their historical carrying amounts. No adjustments are made to reflect fair values or recognise any new assets or liabilities as a result of the restructuring exercise. All intra-group transactions and balances have been eliminated on combination.

3. Summary of significant accounting policies

3.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "**Act**") and Singapore Financial Reporting Standards ("**FRS(s)**") including related Interpretations of FRS ("**INT FRS**") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are presented in Singapore dollar ("**S$**" or "**SGD**") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("**S$'000**"), unless otherwise indicated.

In the current financial year, the Group has adopted all the new and revised FRSs and INT FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2017. Other than the following standard, the adoption of these new/revised FRSs and INT FRSs did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year and is not expected to have a material effect on future periods.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.1 Basis of preparation (Continued)

FRS 7 Amendments to FRS 7: Disclosure Initiative

Consequent to the adoption of these amendments, the Group has disclosed additional information to enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Comparative information has not been presented. This disclosure has been included in the Consolidated Statement of Cash Flows.

FRS and INT FRS issued but not yet effective

At the date of authorisation of these statements, the following FRSs, INT FRSs and amendments to FRSs were issued but not yet effective:

		Effective date (annual periods beginning on or after)
FRS 40	Amendments to FRS 40: *Transfers of Investment Property*	1 January 2018
FRS 102	Amendments to FRS 102: *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
FRS 104	Amendments to FRS 104: *Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts*	1 January 2018
FRS 109	*Financial Instruments*	1 January 2018
FRS 109	Amendments to FRS 109: *Prepayment Features with Negative Compensation*	1 January 2018
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
FRS 28	Amendments to FRS 28: *Long-term interests in Associates and Joint Ventures*	1 January 2019
FRS 115	*Revenue from Contracts with Customers*	1 January 2018
FRS 115	Amendments to FRS 115: *Effective Date of FRS 115*	1 January 2018
FRS 115	Amendments to FRS 115: *Clarifications to FRS 115 Revenue from Contracts with Customers*	1 January 2018
FRS 116	*Leases*	1 January 2019
	Improvements to FRSs (December 2016) - FRS 28 *Investments in Associates and Joint Ventures*	1 January 2018
INT FRS 122	*Foreign Currency Transactions and Advance Considerations*	1 January 2018
INT FRS 123	Uncertainty over Income Tax Treatments	1 January 2019

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Group and the Company have not early adopted any of the above new or revised standards, interpretations and amendments to the existing standards in the financial year ended 31 December 2017. Other than the following standards, management anticipates that the adoption of the aforementioned new or revised standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

<u>FRS 109 *Financial Instruments*</u>

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.1 Basis of preparation (Continued)

FRS 109 *Financial Instruments* (Continued)

Financial assets are classified into financial assets measured at (i) fair value through profit or loss; (ii) amortised cost; or (iii) fair value through other comprehensive income, depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, or as otherwise designated as such upon initial recognition, if allowed.

Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the entity will have a choice to recognise the gains and losses in other comprehensive income if the financial assets are measured at fair value through other comprehensive income.

There have been no changes in the de-recognition requirements of financial assets and liabilities, nor the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch.

A new forward-looking impairment model based on expected credit losses, which replaces the incurred loss model in FRS 39, determines the recognition of impairment provisions as well as interest revenue. An entity will recognise (at a minimum of) 12 months of expected credit losses in profit or loss for financial assets measured at amortised cost or fair value through other comprehensive income, unless in the circumstance when there is a significant increase in credit risk after initial recognition which requires the entity to recognised lifetime expected credit losses on the affected assets.

The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables and any contract assets arising from the application of FRS 109. However, the Group is still assessing the potential impact of FRS 109 on its financial statements in the initial year of adoption. Preliminarily, based on currently known and reasonably estimable information relevant to its assessment, the Group does not expect any potential impact in its initial adoption.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 supersedes FRS 11 *Construction Contracts*, FRS 18 *Revenue*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services* to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

Entities are required to adopt a five-step model which requires (i) their identification of the contract; (ii) their identification of the performance obligations in the contract; (iii) the determination of the transaction price; (iv) allocation of the transaction price; and (v) recognition of revenue when (i.e. at a point in time) or as (i.e. over time) each performance obligation is satisfied.

The core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration which the entity expects to be entitled in exchange for those goods or services.

The Group's main streams of revenue are as follows:
- Employment Services;
- Building Management Services; and
- Security Services

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.1 Basis of preparation (Continued)

FRS 115 *Revenue from Contracts with Customers* (Continued)

The Group is still assessing the potential impact of FRS 115 on its financial statements in the initial year of adoption but will be adopting the retrospective approach. Preliminarily, based on currently known and reasonably estimable information relevant to its assessment, the Group does not expect any potential impact in its initial adoption.

FRS 116 *Leases*

FRS 116 supersedes FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* to set out the principles for the recognition, measurement, presentation and disclosure of leases. The changes introduced by FRS 116 will primarily affect the financial statements of the lessees.

FRS 116 requires, with limited exceptions, the lessee to recognise, at initial recognition, lease liabilities, measured at the present value of lease payments that are not paid as of that date to reflect the present value of the future lease payments, and right-of-use assets at cost, comprising elements including the amount of the initial measurement of the lease liabilities, initial direct costs incurred by the lessee and estimates of other contracted costs to be incurred by the lessee, for its lease contracts. Leases of "low-value" assets and qualifying short term leases entered into by lessees can be exempted from the new recognition criteria.

The Group does not intend to early adopt FRS 116. The Group is still assessing the potential impact of FRS 116 on its financial statements in the initial year of adoption.

Singapore Financial Reporting Standards (International)

In December 2017, the Accounting Standards Council (the "**ASC**") issued the Singapore Financial Reporting Standards (International) ("**SFRS(I)**") as the new accounting framework to be mandatorily applied by qualifying entities, which include Singapore-incorporated entities whose debt or equity instruments are traded in a public market in Singapore, in the preparation and presentation of their general purpose financial statements for annual reporting periods beginning on or after 1 January 2018.

This first volume of SFRS(I) contains the equivalent of consolidated text of IFRS as issued by the International Accounting Standards Board ("**IASB**") at 31 December 2017 that are applicable for annual reporting periods beginning on 1 January 2018. Simultaneous to its compliance with SFRS(I), the Group can hence elect to include an explicit and unreserved statement of compliance with IFRS in its first and subsequent SFRS(I) financial statements.

In the initial adoption of its first SFRS(I) financial statements and each interim financial report presented in accordance with SFRS (I) 1-34 *Interim Financial Reporting*, the Group is required to apply SFRS(I) 1 *First-Time Adoption of Singapore Financial Reporting Standards (International)* ("**SFRS(I) 1**") which is equivalent to IFRS 1 *First-Time Adoption of International Financial Reporting Standards* and which mandates, amongst other disclosure requirements, the Group's presentation of at least 3 statements of financial position, including comparative information for all statements presented.

The Group has not early adopted SFRS(I) and has commenced its assessment of the impact of the initial adoption of SFRS(I) on its financial statements. Such assessment includes its consideration and application of the transition requirements and options made available in SFRS(I) 1 in the financial statements. Concurrently, the Group considered the impact of the initial adoption of the aforementioned relevant revised/new FRS, amendments to and interpretations of FRS, for which there are equivalent standards in the SFRS(I) framework, which are also effective from the same date of the Group's initial adoption of SFRS(I) on its financial statements.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.1 Basis of preparation (Continued)

Singapore Financial Reporting Standards (International) (Continued)

Preliminarily, based on currently known and reasonably estimable information relevant to its assessment, other than the possible impact arising from its initial adoption of FRS 109, FRS 115 and FRS 116, the Group does not expect material impact on its financial statements in its initial adoption of SFRS(I) 1.

3.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cash flows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.2 Basis of consolidation (Continued)

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

<u>Common Control Business Combination Outside the Scope of FRS 103 *Business Combinations* ("**FRS 103**")</u>

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. A business combination involving common control entities, are outside the scope of FRS 103. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the consolidated financial statements.

In applying merger accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the consolidated financial statements of the combined entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties.

A single uniform set of accounting policies is adopted by the combined entity. Therefore, the combined entity recognises the assets, liabilities and equity of the combining entities or businesses at the carrying amounts in the combined financial statements of the controlling party or parties prior to the common control combination. The carrying amounts are included as if such combined entity's accounting policies and applying those policies to all periods presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the consolidated financial statements of the combined entity.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.2 Basis of consolidation (Continued)

Common Control Business Combination Outside the Scope of FRS 103 *Business Combinations* ("**FRS 103**") (Continued)

The consolidated financial statements were prepared based on the audited financial statements of subsidiaries which were prepared in accordance with FRS for the purpose of combination. The subsidiaries maintain their accounting records and prepare the relevant statutory financial statements in accordance with the FRS including related Interpretations of INT FRS.

The Group resulting from the Restructuring Exercise as disclosed in Note 2, is one involving entities under common control. Accordingly, the consolidated financial statements have been accounted for using the principles of merger accounting where financial statement items of the merged entities for the reporting periods in which the common control combination occurs are included in the consolidated financial statements of the Group as if the combination had occurred from the date when the merged entities first came under the control of the same shareholders.

3.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at the lower of cost and fair value less costs to sell.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.3 Business combinations (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3.4 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of estimated customer returns, rebates and other similar allowances.

<u>Rendering of services</u>

Revenue from a contract to provide services is recognised upon delivery of services and acceptance by customers. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

(a) the amount of revenue can be measured reliably;
(b) it is probable that the economic benefits associated with the transaction will flow to the entity;
(c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
(d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

<u>Dividend income</u>

Dividend income is recognised when the shareholder's right to receive the payment has been established.

<u>Interest income</u>

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

<u>Rental income</u>

Rental income from operating leases on office premises is recognised on a straight-line basis over the term of the relevant lease (see Note 3.18).

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.5 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.6 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

3.7 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

3.8 Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non market-based resting conditions) at the date of grant. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 24. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non-market-based vesting conditions. At the end of each financial year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised over the remaining vesting period with a corresponding adjustment to the equity-settled share options reserve.

The policy described above is applied to all equity-settled share-based payments that were granted after 17 May 2017. No amount has been recognised in the financial statements in respect of other equity-settled share-based payments.

The transfer of the balance in the share option reserve to share capital or treasury shares upon exercise of the option and the transfer of the balance in the share option reserve to accumulated profits upon expiry of the option are not mandatory and may be kept as a separate reserve upon expiry or exercise of the option

3.9 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in Singapore where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.9 Income tax (Continued)

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

3.10 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders.

3.11 Property, plant and equipment

Leasehold buildings held for use in the production or supply of goods or services, or for administrative purposes, are shown at cost less any subsequent accumulated depreciation, and where applicable, accumulated impairment losses.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.11 Property, plant and equipment (Continued)

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

• Leasehold building	46 years
• Cleaning equipment	5 years
• Motor vehicles	3 – 5 years
• Computers and office equipment	3 – 5 years
• Renovation, furniture and fittings	3 – 5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

3.12 Intangible assets

Goodwill on acquisition

Goodwill represents the excess of the cost of an acquisition over the net fair value of the Group's interest in the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity carried at the date of acquisition. Goodwill is at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

On acquisition of an investment in an associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the associate or joint venture is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of net fair value of the identifiable assets and liabilities of the associate or joint venture over the cost of investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.12 Intangible assets (Continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives, on the following bases:

• Customer contracts and contractual customer relationships	3 – 5 years
• Non-contractual customer relationships	2 – 10 years

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.13 Investments in associate

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of these policies, and generally accompanying a shareholding of between 20% or more of the voting power.

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired. Investment in associate is carried at cost less any impairment loss that has been recognized in profit or loss in the Company's separate financial statements.

The results and assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under FRS 105. Under the equity method, investment in associate is carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see Note 3.12).

Unrealized profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealized losses are also eliminated in the same way as unrealized gains, but only to the extent that there is no impairment.

The Company has accounted for its investment in associate at cost in its separate financial statements.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.14 Impairment of tangible and intangible assets excluding goodwill

The Group reviews the carrying amounts of its tangible and intangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.15 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

All financial assets are recognised on a trade date – the date on which the Group commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: loans and receivables, and available-for-sale financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.15 Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents.

Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets ("AFS")

Certain equity instruments held by the Group are classified as AFS if they are not classified in any of the other categories. Subsequent to initial recognition, with the exception of unquoted equity instruments that are not carried at fair value as the fair value cannot be reliably measured, AFS are measured at fair value and changes therein are recognised directly in the available-for-sale reserve with the exception of impairment losses, interests calculated using the effective interest method and foreign exchange gains and losses arising from monetary items. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale reserve is included in profit or loss for the financial year.

The Group's unquoted AFS are accounted for at cost less impairment losses, if any, whose fair value cannot be reliably measured.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.15 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 3.5).

Financial guarantee contracts

The Company has issued corporate guarantees to banks for borrowings of certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.15 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statements of financial position when and only when, an entity:

(a) currently has a legally enforceable right to set-off the recognised amounts; and
(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.16 Inventories

Inventories, comprising mainly chemical products, electronic products for sales and other materials used for the daily operation, are stated at the lower of cost and net realisable value. Costs is calculated using the first-in, first-out method. Net realisable value represents the net amount that the Group expects to realise from the sale of inventories in the ordinary course of business.

3.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions that are readily convertible to a known amounts of cash and are subject to an insignificant risk of changes in value. For the purpose of the consolidated statements of cash flows, cash and cash equivalents exclude deposits pledged with the financial institutions as collateral which form an integral part of the Group's cash management.

3.18 Leases

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is recognised as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to the acquisition, construction of production of qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see Note 3.5).

Operating leases

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which it is incurred.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.18 Leases (Continued)

Operating leases (Continued)

The Group as lessee (Continued)

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as it arises.

3.20 Government grants

Government grants are recognised at its fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other operating income".

Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

3.21 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

3. Summary of significant accounting policies (Continued)

3.21 Contingencies (Continued)

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

3.22 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. Management makes decision about resources to be allocated to the segment and assess its performance. Segment managers report directly to the management of the Group. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.23 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

  (i) Has control or joint control over the Company;
  (ii) Has significant influence over the Company; or
  (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and Company if any of the following conditions applies:

  (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  (iii) Both entities are joint ventures of the same third party;
  (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  (vi) The entity is controlled or jointly controlled by a person identified in (a);
  (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

<u>Key management personnel</u>

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly, including any director (whether executive or otherwise) of that company.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

4. Critical accounting judgments and key sources of estimation uncertainty

The Group made judgments, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

4.1 Critical judgments made in applying the Group's accounting policies

Acquisition of subsidiaries – accounting for business combinations

FRS 103 *Business Combinations* ("**FRS 103**") requires the Group to recognise the identifiable assets, liabilities and contingent liabilities at fair value at the date of acquisition, with the excess of the acquisition cost over the identified fair values recognised as goodwill. This requires significant judgment and estimates, particularly in relation to the identification and valuation of intangible assets acquired in the business combinations and determination of their useful lives.

Where the initial accounting for business combination is incomplete by end of the reporting period in which the business combination occurred, the Group recognises the provisional amounts for items for which accounting is incomplete. During the measurement period, which is not exceeding one year from the acquisition date, the Group retrospectively adjusts the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date which, if known, would have affected the measurement of the amounts recognised as of that date, including but not limited to the fair value of the contingent consideration, and also recognises additional assets or liabilities if such new information would have resulted in the recognition of those assets and liabilities as of that date.

Details concerning acquisitions and business combinations are outlined in Note 14 to the financial statements.

Impairment of loans and receivables

The Group assesses its loans and receivables on a continuous basis for any objective evidence of impairment by considering factors, including the ageing profile, the creditworthiness and the past collection history of each debtor. If the financial conditions of these debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Group's and Company's loans and receivables as at 31 December 2017 were S$24,115,000 (2016: S$19,074,000) and S$7,663,000 (2016: S$3,239,000) respectively (Note 31).

4.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units ("**CGU**") to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. No impairment loss was recognised during the financial year. The carrying amount of the Group's goodwill as at 31 December 2017 was S$5,489,000 (2016: S$5,343,000) (Note 12).

Impairment of intangible assets

At the end of each financial year, an assessment is made on whether there are indicators that the Group's intangible assets are impaired. The valuation and useful life of the intangible assets are based on management's best estimates of future performance and periods over which value from the intangible asset will be realised. Management reassesses the estimated useful life at each period end, taking into account the period over which the intangible asset is expected to generate future economic benefits. The carrying amount of the Group's intangible assets as at 31 December 2017 was S$1,597,000 (2016: S$2,159,000) (Note 13).

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

4. Critical accounting judgments and key sources of estimation uncertainty (Continued)

4.2 Key sources of estimation uncertainty (Continued)

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments in subsidiaries are impaired. Where necessary, the Company's and the Group's assessment are based on the estimation of the value-in-use of the assets defined in FRS 36 *Impairment of Assets* by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investments in subsidiaries as at 31 December 2017 was S$11,404,000 (2016: S$11,371,000) (Note 14).

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's property, plant and equipment as at 31 December 2017 was S$2,511,000 (2016: S$1,488,000) (Note 17).

Provision for income taxes

The Group has exposure to income taxes in Singapore of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amount of the Group's current tax payable as at 31 December 2017 was S$500,000 (2016: S$474,000).

5. Revenue

	Group	
	2017	2016
	S$'000	S$'000
Service income from:		
– Employment Services	13,151	12,627
– Building Management Services	37,135	24,753
– Security Services	14,974	13,529
	65,260	50,909

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

6. Other operating income

	Group	
	2017	2016
	S$'000	S$'000
Administrative fees received from subcontractors	27	10
Bad debts recovered	*	-
Gain on disposal of property, plant and equipment	21	6
Government credit schemes and government grants	1,146	2,060
Income from supplies to subcontractors	14	15
Interest income from advances to subcontractors	15	14
Rental income	65	58
Refund of insurance charges	-	188
Write back of allowance for doubtful receivables	-	383
Others	32	13
	1,320	2,747

Government credit schemes and government grants consists of special employment credit, wage credit scheme, temporary employment credit, national serviceman relief, productivity and innovation credit, Absentee Payroll funding from Singapore Workforce Development Agency, Skill Future funding from Skills Future Singapore Agency in connection to certifiable skills training courses and grants from Spring Singapore.

Refund of insurance charges in the financial year ended 31 December 2016 represented refund of insurance premiums due to rebate from insurance company.

* *Denotes amount less than S$1,000*

7. Finance expenses

	Group	
	2017	2016
	S$'000	S$'000
Interest expenses on:		
– Factoring of receivables	57	73
– Finance leases	40	29
– Term loan	-	4
– Property loan	4	-
	101	106

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

8. Profit before income tax

The following charges were included in the determination of profit before income tax:

	Note	Group 2017 S$'000	Group 2016 S$'000
Included in cost of services:			
Insurance		608	751
Operating lease expense		229	162
Provision for warranties	26	1	*
Recruitment expenses		4,961	4,913
Staff costs (excluding key management personnel remuneration)	9	27,527	18,653
Subcontractors' fees		10,762	11,057
Included in administrative expenses:			
Audit fees to auditors of the Company		268	301
Non-audit fees to auditors of the Company		59	80
Advertising expenses		432	430
Allowance for doubtful receivables (trade)	20	71	-
Amortisation of intangible assets	13	599	241
Bad debts written-off		7	-
Depreciation of property, plant and equipment	17	556	368
Directors' fees	30	114	64
Insurance		284	171
IPO expenses		-	899
Key management personnel remuneration	30	3,593	2,633
Loss on disposal of property, plant and equipment		2	15
Operating lease expense		1,670	1,097
Property, plant and equipment written-off		3	9
Share option expenses		36	-
Staff costs (excluding key management personnel remuneration)	9	6,429	4,789

* *Denotes amount less than S$1,000*

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

9. Staff costs (excluding key management personnel remuneration)

	Group 2017 S$'000	Group 2016 S$'000
Cost of services		
Salaries, allowances and other benefits	25,128	17,062
Defined contribution plan	2,399	1,591
	27,527	18,653
Administrative expenses		
Salaries, allowances and other benefits	5,797	4,367
Defined contribution plan	632	422
	6,429	4,789
Total staff costs	33,956	23,442

10. Income tax expense

	Group 2017 S$'000	Group 2016 S$'000
Current income tax		
– Current	493	418
– (Over)/Under-provision in prior financial years	(118)	49
	375	467
Deferred income tax (Note 18)		
– Reversal and origination of temporary differences	(95)	43
– Over-provision in prior financial years	(18)	(6)
Total tax expense	262	504

The Group is incorporated in Singapore and accordingly is subject to income tax rate of 17%. There were no changes in the enterprise income tax rate in the current financial year from the last financial year.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

10. Income tax expense (Continued)

Reconciliation of effective tax rate is as follows:

	Group	
	2017	**2016**
	S$'000	**S$'000**
Profit before income tax	3,375	3,300
Income tax at statutory rate	574	561
Tax effect of:		
– Expenses not deductible for tax purposes	378	439
– Income not subject to tax	(11)	(75)
– Tax incentive and special allowance	(301)	(237)
– Tax exemptions and rebates	(196)	(264)
– (Over)/Under-provision in prior financial years	(136)	43
– Unrecognised deferred tax benefits	28	7
– Others	(74)	30
Total tax expense	262	504

The Singapore Government has announced that companies will receive 40% Corporate Income Tax ("**CIT**") rebate that is subject to a cap of S$15,000 for the Year of Assessment ("**YA**") 2018 and 50% CIT rebate that is subject to a cap of S$25,000 for the YA 2017.

11. Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year. The following table reflects the profit and share data used in the computation of basic earnings per share:

	Group	
	2017	**2016**
Earnings for the purposes of basic and diluted earnings per share (profit for the financial year attributable to owners of the Company) (S$'000)	3,056	2,675
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	180,981	173,173
Basic and diluted earnings per share (cents)	1.69	1.54

The basic and diluted earnings per share is the same as there were no potentially dilutive instruments.

Whilst there were 6,250,000 warrants outstanding as at 31 December 2017, the warrants are, given their exercise price of S$0.45, not considered to be dilutive for the financial year ended 31 December 2017.

Whilst there were 1,126,500 share options outstanding as at 31 December 2017, the share options were granted at an exercise price of S$0.40 per share and are not considered to be dilutive for the financial year ended 31 December 2017.

The weighted average number of ordinary shares for financial year ended 31 December 2017 was computed based on the issue and allotment of 12,500,000 placement shares on 17 May 2017.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

12. Goodwill on consolidation

	Group 2017 S$'000	Group 2016 S$'000 (Restated)
At cost		
At beginning of financial year	5,343	33
Additions	146	5,310[2]
At end of financial year	5,489	5,343

Goodwill acquired through business combinations is allocated, at acquisition, to the cash-generating units ("**CGU**") that are expected to benefit from those business combinations. The carrying amount of goodwill had been allocated as follows:

	Group 2017 S$'000	Group 2016 S$'000 (Restated)
Ashtree International Pte. Ltd.	115	115
Envirocare Landscape (S) Pte. Ltd.	146	-
Newman & Goh Property Consultants Pte Ltd	1,115	1,115
Newman & Associates Pte. Ltd.	66	66
World Clean Facility Services Pte. Ltd.	33	33
Premier Group [1] [2]	4,014	4,014
	5,489	5,343

[1] *Premier Group – Green Management Pte. Ltd., Premier Eco-Care Pte. Ltd. and Prestige Enviro-Care Pte. Ltd. has been allocated as one CGU (Note 14(f)).*

[2] *Additions through business combination was retrospectively restated as a result of finalisation of purchase price allocation exercise in the acquisition of Premier Group, resulting to a change in fair value of the contingent consideration payable and goodwill. (Note 14(f)).*

Impairment testing of goodwill

The Group tests CGU for impairment annually, or more frequently when there is an indication for impairment.

The Group has measured the recoverable amount of the CGU based on 3 and 5-years cash flows projections approved by the Board of Directors. Key assumptions on which management has based its cash flow projections for the respective periods of the significant CGU are as follows:

	Premier Group 2017	Premier Group 2016	Newman & Goh Property Consultants Pte Ltd 2017	Newman & Goh Property Consultants Pte Ltd 2016
Growth rates	0% to 2.5%	0% to 2.5%	Actual contracts	Actual contracts
Pre-tax discount rate	14.45%	13.25%	9.28%	10.80%

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

12. Goodwill on consolidation (Continued)

Impairment testing of goodwill (Continued))

Key assumptions used in the value-in-use calculations

Growth rates – The forecasted growth rates are based on contractual customers wherein contracts are mostly with a one to two-years term and automatic renewal clause relevant to the CGUs and regular customers, taking into account of the forecasted growth rate relevant to the environment where the CGUs operate in.

Discount rates – The discount rate used is based on the weighted average cost of the CGU's capital (the "**WACC**"), adjusted for the specific circumstances of the CGU and based on management's experience, and re-grossed back to arrive at the pre-tax rate.

Management is of the view that any reasonable possible change in any of the above key assumptions is not likely to materially cause the CGU's carrying amount to exceed its recoverable amount.

No impairment loss was recognised during the financial years ended 31 December 2017 and 2016.

13. Intangible assets

Group	Customer contracts and contractual customer relationships(1)	Non-contractual customer relationships(2)	Total
	S$'000	S$'000	S$'000
Cost			
At 1 January 2016	459	-	459
Acquisition of subsidiaries (Note 14)	2,021	293	2,314
At 31 December 2016	2,480	293	2,773
Acquisition of a subsidiary (Note 14)	26	11	37
At 31 December 2017	2,506	304	2,810
Accumulated amortisation			
At 1 January 2016	373	-	373
Amortisation for the financial year	235	6	241
At 31 December 2016	608	6	614
Amortisation for the financial year	560	39	599
At 31 December 2017	1,168	45	1,213
Carrying amount			
At 31 December 2017	1,338	259	1,597
At 31 December 2016	1,872	287	2,159

(1) Customer contracts and contractual customer relationships were acquired in business combinations during the financial years ended 31 December 2017 and 2016. As explained in Note 3.12, the useful lives are estimated to be 3 to 5 years (2016: 2 to 5 years).

(2) Cost of non-contractual customer relationships is attributable to long-term relationship with its customers. As explained in Note 3.12, the useful lives are estimated to be 2 to 10 years (2016: 8 to 10 years).

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

14. Investments in subsidiaries

	Company	
	2017	2016
	S$'000	S$'000
Unquoted equity share, at cost		
At beginning of financial year	11,371	-
Arising from Restructuring Exercise	-	4,971
Additions	-	6,400
Deemed investment arising from employees share options provided to employees of subsidiaries	33	-
At end of financial year	11,404	11,371

The details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Proportion of ownership interest	
		2017	2016
		%	%
Held by the Company			
Advancer Global Manpower Pte. Ltd. [1]	Investment holding	100	100
Advancer Global Facility Pte. Ltd. [1]	Investment holding	100	100
Advancer Global Security Pte. Ltd. [1]	Investment holding	100	100
Held through Advancer Global Manpower Pte. Ltd.			
Advancer Nation Pte. Ltd. [1] ("**Advancer Nation**")	Business and management consultancy services/ Investment holding	100 (Note a)	-
APAC Cities Employment Pte. Ltd. [1]	Maid agencies / Employment agencies (excluding maid agencies)	100	100
Enreach Employment Pte. Ltd.	Maid agencies / Employment agencies (excluding maid agencies)	100	100
Nation Human Resources Pte. Ltd. [1]	Maid agencies	100	100
Nation Employment Pte Ltd	Maid agencies / Building-cleaning services (including janitorial service)	100	100
Held through Advancer Global Facility Pte. Ltd.			
Envirocare Landscape (S) Pte. Ltd. ("**Envirocare**")	Landscape planting, care and maintenance services	76 (Note b)	-
First Stewards Private Limited	Building-cleaning services (including janitorial service)	100	100
Green Management Pte. Ltd. [1]	Pest control services not in connection with agriculture (pest control, fumigation and other ecological care services)	100	100 (Note f)

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

14. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows (Continued):

Name of subsidiary	Principal activities	Proportion of ownership interest 2017 %	Proportion of ownership interest 2016 %
Held through Advancer Global Facility Pte. Ltd. (Continued)			
Master Clean Facility Services Pte. Ltd.	Building-cleaning services (including janitorial service) / Business management and consultancy services	100	100
Newman & Associates Pte. Ltd. ("**NAPL**")	Real estate agents and property management	76	76 (Note g)
Newman & Goh Property Consultants Pte Ltd ("**NGPC**")	Valuers, property agents, consultants and property management	76	76 (Note g)
Premier Eco-Care Pte. Ltd.	Pest control and fumigation services, landscape care and related maintenance services	100	100 (Note f)
Prestige Enviro-Care Pte. Ltd. (Wholly-owned subsidiary of Premier Eco-Care Pte. Ltd.)	Pest control and fumigation services, landscape care and related maintenance services	100	100 (Note f)
World Clean Facility Services Pte. Ltd. ("**World Clean**")	Building-cleaning services (including janitorial service) / Landscape care and maintenance service activities (landscaping and grass cutting services)	100 (Note c)	100
Unipest Pte. Ltd. ("**Unipest**")	Pest control services not in connection with agriculture (Integrated pest management) / Housekeeping and Building-Cleaning services (including janitorial service) / Sanitation improvement	100 (Note d)	80
Held through Advancer Global Security Pte. Ltd.			
AGS Integration Pte. Ltd. ("**AGSI**")	Security services / Computer system integration activities	70 (Note e)	-
Ashtree International Pte. Ltd.	Business and management consultancy services	100	100 (Note h)
KC Security & Investigation Services Pte. Ltd.	Security and investigation activities NEC / Building-cleaning services (including janitorial service)	100	100
KH Security Agency Pte. Ltd.	Security services / Building-cleaning services (including janitorial service)	100	100

(1) The subsidiaries are dormant.

All subsidiaries are incorporated and operate in Singapore, and are audited by Mazars LLP, Singapore.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

14. Investments in subsidiaries (Continued)

Interest in subsidiaries with material non-controlling interests ("**NCI**")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Proportion of ownership interest held by NCI		Profit/(Loss) allocated to NCI during the financial year		Accumulated NCI at end of financial year		Dividends paid to NCI	
	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
AGSI	30	-	(35)	-	145	-	-	-
NGPC	24	24	52	43	161	253	144	-

There is no significant restriction on the Group's ability to access or use the assets and settle the liabilities of the Group.

Summarised financial information (before intercompany eliminations):

	AGSI		NGPC	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Assets:				
Non-current assets	1,307	-	162	200
Current assets	276	-	1,793	1,486
Liabilities:				
Non-current liabilities	649	-	-	-
Current liabilities	449	-	1,280	633
Net assets	485	-	675	1,053
Results:				
Revenue	93	-	9,487	3,048
(Loss)/Profit before income tax	(115)	-	231	194
(Loss)/Profit for the financial year	(115)	-	217	180
Net cash flow (used in)/generated from operations	(124)	-	194	432

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

14. Investments in subsidiaries (Continued)

Financial year ended 31 December 2017

(a) Incorporation of a subsidiary – Advancer Nation

On 10 August 2017, Advancer Global Manpower Pte. Ltd. has incorporated a wholly-owned subsidiary, Advancer Nation, in Singapore.

(b) Acquisition of Envirocare

On 4 July 2017, Advancer Global Facility Pte. Ltd. acquired 76% equity interest in Envirocare, a company incorporated in Singapore, to expand the range of services within the Group's facilities management division and to further strengthen the services offerings by providing a holistic suite of facilities management solutions and services to wide base of customers. The fair value of the identifiable assets and liabilities of Envirocare as at the acquisition date were:

	Fair value recognised on acquisition
	S$'000
Property, plant and equipment	43
Customer contracts and contractual customer relationships	26
Non-contractual customer relationships	11
Deferred tax liabilities	(6)
Total identifiable net assets at fair value	74
Non-controlling interest measured at the non-controlling interest's proportionate share of Envirocare's net identifiable assets	(18)
Goodwill arising from acquisition	146
Total consideration	202

Effect of the acquisition of Envirocare on cash flows

Total consideration for 76% of equity interest acquired	202
Less: Cash and cash equivalents of subsidiary acquired	-
Fair value of contingent consideration payable	(50)
Net cash outflow on acquisition	152

Transaction costs

No transaction costs related to the acquisition was recognised in the Group's profit or loss for the financial year ended 31 December 2017.

Goodwill arising from acquisition

Goodwill of S$146,000 arising from the acquisition is attributable to the expected synergies from combining the operations of the Group with Envirocare and increasing in Group's pool of corporate customers in relation to the Building Management Services Business, which provides opportunity of cross-selling the facility management services from other subsidiaries within the Group. None of the goodwill is expected to be deductible for tax purposes.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

14. Investments in subsidiaries (Continued)

Financial year ended 31 December 2017 (Continued)

(b) Acquisition of Envirocare (Continued)

Consideration

The 76% of initial consideration of S$152,000 was paid on 4 July 2017. The 76% of remaining consideration will be a maximum amount of S$76,000 payable by 30 September 2018, at an amount to be determined based on the total service fee generated from Envirocare's fixed and recurring service contracts during the twelve months from 4 July 2017. The fair value of the remaining consideration of S$50,000 is measured at the date of acquisition.

Intangible assets

Intangible assets identified relate to contractual and non-contractual customer relationships which are attributable to long-term relationships with its major customers. The useful life is estimated at two to three years.

Impact of the acquisition on profit or loss

From the date of acquisition, Envirocare has contributed S$200,000 and S$29 to the revenue and the profit after tax of the Group respectively. If the combination has taken place at the beginning of the financial year, the Group's revenue would increase by S$400,000 and profit after tax would decrease by S$10,000.

(c) Additional investment in a subsidiary – World Clean

On 6 June 2017, Advancer Global Facility Pte. Ltd. increased its issued and paid-up capital in its wholly-owned subsidiary, World Clean, from S$180,000 comprising 180,000 ordinary shares to S$250,000 comprising 250,000 ordinary shares, through the allotment and issuance of 70,000 ordinary shares of S$1 per share.

(d) Acquisition of non-controlling interests in a subsidiary – Unipest

On 31 March 2017, Advancer Global Facility Pte. Ltd. acquired an additional 20% equity interest in Unipest, comprising 22,000 ordinary shares from its non-controlling interests for a cash consideration of S$477,000. As a result of this acquisition, Unipest became a wholly-owned subsidiary of the Group (Note 23).

From 1 August 2017 onwards, all contracts from Unipest had been novated to Premier Eco-Care Pte. Ltd. Following which, Unipest became inactive as at the end of the financial year ended 31 December 2017.

(e) Incorporation of a subsidiary – AGSI

On 25 April 2017, Advancer Global Security Pte. Ltd. ("**AGS**") has incorporated a wholly-owned subsidiary, AGSI, for an initial issued and paid-up share capital of S$1.

On 31 May 2017, AGS entered into an arrangement with an independent unrelated third party and subscribed 419,999 new ordinary shares in the capital of AGSI at the subscription price of S$419,999 in cash whereas the independent unrelated third party subscribed 180,000 new ordinary shares in the capital of AGSI at the subscription price of S$180,000 in cash.

(f) Acquisition of Green Management Pte. Ltd., Premier Eco-Care Pte. Ltd. and Prestige Enviro-Care Pte. Ltd. (collectively, the "Premier Group")

On 1 November 2016, Advancer Global Facility Pte. Ltd. acquired 100% equity interest in Premier Group, companies incorporated in Singapore, to have a larger skilled workforce to drive the pest control business offering with more advanced treatment methods to a larger pool of customers. Consequent to the application of FRS 103, the Group recorded goodwill of S$977,000 (the "**Initial Goodwill**").

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

14. Investments in subsidiaries (Continued)

Financial year ended 31 December 2017 (Continued)

(f) Acquisition of Green Management Pte. Ltd., Premier Eco-Care Pte. Ltd. and Prestige Enviro-Care Pte. Ltd. (collectively, the "Premier Group") (Continued)

Disclosure of contingent consideration existing as of the Acquisition Date

The Initial Goodwill was determined on the basis that purchase consideration of S$3.0 million paid in 2016 was the fair value of the total purchase consideration as the fair value of the contingent consideration ("**Contingent Consideration**") was expected to be insignificant on the basis that the probability of the Value-In-Use ("**VIU**") exceeding S$7.0 million was remote and accordingly, the information was not included in the financial statements for the financial year ended 31 December 2016.

The fair value of the Contingent Consideration as of 31 December 2016 was determined based on the Group's assessment of the probability of payment using the following bases:

	Value-in-use	Further consideration to be paid/ payable to the vendors
		S$'000
(a)	Above S$7.0 million but not exceeding S$10.0 million	3,240
(b)	Above S$10.0 million	3,500

In estimating the VIU of the Premier Group, the management had made the key assumptions and inputs disclosed below. Based on the calculated VIU, management expected that the VIU exceed S$7.0 million would be remote.

The key assumptions on which management used in the determination of the VIU includes revenue streams growth rate of 0% to 2.5% (2016: 0% to 2.5%), terminal growth rate of 0% (2016: 0%) and pre-tax discount rate of 14.45% (2016: 13.25%).

Measurement period adjustment

Additional information relating to facts and circumstances existing as of the Acquisition Date, specifically the existence of ship fumigation revenue stream that was not known to the management team and surfaced during the measurement period (i.e. one year subsequent to the Acquisition Date). Should the additional information be known as of Acquisition Date, the VIU and the probability of pay-out of Contingent Consideration would have been adjusted upwards. Accordingly, the fair value of the Contingent Consideration would have been different with a consequential impact on the goodwill as of the Acquisition Date.

Management has since finalised the purchase price allocation exercise and determined the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition. Accordingly, as required by FRS 103, the comparative figures have been restated retrospectively.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

14. Investments in subsidiaries (Continued)

Financial year ended 31 December 2017 (Continued)

(f) Acquisition of Green Management Pte. Ltd., Premier Eco-Care Pte. Ltd. and Prestige Enviro-Care Pte. Ltd. (collectively, the "Premier Group") (Continued)

The fair value of the identifiable assets and liabilities of Premier Group as at the acquisition date were:

	Previously stated	Re-measurement adjustment	Restated
	S$'000	S$'000	S$'000
Property, plant and equipment	228	-	228
Customer contracts and contractual customer relationships	647	-	647
Non-contractual customer relationships	293	-	293
Inventories	48	-	48
Trade and other receivables	1,414	-	1,414
Cash and cash equivalents	233	-	233
Trade and other payables	(540)	-	(540)
Finance lease payables	(141)	-	(141)
Deferred tax liabilities	(159)	-	(159)
Total identifiable net assets at fair value	2,023	-	2,023
Goodwill arising from acquisition	977	3,037	4,014
Total consideration	3,000	3,037	6,037
Effect of the acquisition of Premier Group on cash flows			
Total consideration for 100% of equity interest acquired	3,000	3,037	6,037
Less: Cash and cash equivalents of subsidiaries acquired	(233)	-	(233)
Fair value of contingent consideration payable	-	(3,037)	(3,037)
Net cash outflow on acquisition	2,767	-	2,767

Transaction costs
No transaction costs related to the acquisition was recognised in the Group's profit or loss for the financial year ended 31 December 2017 and 2016.

Trade and other receivables acquired
Trade and other receivables acquired comprise of trade receivables and other receivables with fair values at S$890,000 and S$524,000, respectively. Their gross amounts are S$1,396,000 and S$524,000, respectively. At the acquisition date, S$506,000 of the contractual cash flows pertaining to trade receivables was not expected to be collected.

Goodwill arising from acquisition
Goodwill of S$4,014,000 arising from the acquisition is attributable to the expected synergies from combining the operations of the Group with Premier Group and increasing in Group's pool of corporate customers in relation to the Building Management Services Business, which provides opportunity of cross-selling the facility management services from other subsidiaries within the Group. None of the goodwill is expected to be deductible for tax purposes.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

14. Investments in subsidiaries (Continued)

Financial year ended 31 December 2017 (Continued)

(f) Acquisition of Green Management Pte. Ltd., Premier Eco-Care Pte. Ltd. and Prestige Enviro-Care Pte. Ltd. (collectively, the "Premier Group") (Continued)

Consideration

The contingent consideration is the fair value of the remaining consideration payable for the acquisition of Premier Group. On 1 February 2018, the Group paid an additional S$3.1 million in cash to complete the acquisition (Note 36).

Intangible assets

Intangible assets identified relate to contractual and non-contractual customer relationships which are attributable to long-term relationships with its major customers. The useful life is estimated at three to ten years.

Impact of the acquisition on profit or loss

From the date of acquisition to the financial year ended 31 December 2016, Premier Group has contributed S$740,000 and S$379,000 to the revenue and profit after tax of the Group respectively. If the combination has taken place at the beginning of the financial year ended 31 December 2016, the contribution to the Group's revenue and profit after tax would have been approximately S$4,272,000 and S$538,000 respectively.

For the financial year ended 31 December 2017, Premier Group has contributed S$5,615,000 and S$927,000 to the Group's revenue and profits after tax respectively.

Financial year ended 31 December 2016

(g) Acquisition of NAPL and NGPC (collectively, "Newman Group")

On 8 September 2016, Advancer Global Facility Pte. Ltd. acquired 76% equity interest in Newman Group, companies incorporated in Singapore, to provide the Group with opportunity to grow its facility management services Business. The fair value of the identifiable assets and liabilities of Newman Group as at the acquisition date were:

	Fair value recognised on acquisition	
	NAPL	**NGPC**
	S$'000	**S$'000**
Property, plant and equipment	*	116
Available-for-sale financial assets	-	99
Customer contracts and contractual customer relationships	391	1,145
Trade and other receivables	74	1,127
Cash and cash equivalents	192	193
Trade and other payables	(20)	(662)
Deferred tax liabilities	(66)	(195)
Total identifiable net assets at fair value	571	1,823
Non-controlling interest measured at the non-controlling interest's proportionate share of Newman Group's net identifiable assets	(137)	(438)
Goodwill arising from acquisition	66	1,115
Total consideration	500	2,500

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

14. Investments in subsidiaries (Continued)

Financial year ended 31 December 2016 (Continued)

(g) Acquisition of NAPL and NGPC (collectively, "Newman Group") (Continued)

	Fair value recognised on acquisition	
	NAPL	**NGPC**
	S$'000	**S$'000**
Effect of the acquisition of Newman Group on cash flows		
Total consideration for 76% of equity interest acquired	500	2,500
Less: Cash and cash equivalents of subsidiaries acquired	(192)	(193)
Fair value of further consideration payable in cash	(200)	(800)
Net cash outflow on acquisition	108	1,507

** Denotes amount less than S$1,000*

As of 31 December 2016, out of the consideration of S$500,000 and S$2,500,000, S$300,000 and S$1,700,000 have been paid in cash for the purchase of NAPL and NGPC respectively. The remaining of S$200,000 and S$800,000 are paid on 30 June 2017 for the purchase of NAPL and NGPC respectively.

Transaction costs
No transaction costs related to the acquisition was recognised in the Group's profit or loss for the financial year ended 31 December 2016.

Trade and other receivables acquired
Trade and other receivables acquired represent their gross amounts.

Goodwill arising from acquisition
Goodwill of S$66,000 and S$1,115,000 arising from the acquisition of NAPL and NGPC respectively are attributable to the expected synergies from combining the operations of the Group with Newman Group to provide a full suite of facilities management services and opportunity to tap into Newman Group's business network for expansion of Group's Building Management Services Business. None of the goodwill is expected to be deductible for tax purposes.

Intangible assets
Intangible assets identified relate to contractual customer relationships which are attributable to long-term relationships with its major customers. The useful life is estimated at three to five years.

Impact of the acquisition on profit or loss
From the date of acquisition, NAPL has contributed S$193,000 and S$70,000 to the revenue and the profit after tax of the Group respectively. If the combination has taken place at the beginning of the financial year, the contribution to the Group's revenue and the profits after tax would have been S$560,000 and S$43,000 respectively.

From the date of acquisition, NGPC have contributed S$3,048,000 and S$180,000 to the revenue and the profit after tax of the Group respectively. If the combination has taken place at the beginning of the financial year, the contribution to the Group's revenue and the profits after tax would have been S$8,735,000 and S$464,000 respectively.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

14. Investments in subsidiaries (Continued)

Financial year ended 31 December 2016 *(Continued)*

(h) Acquisition of Ashtree

On 13 August 2016, Advancer Global Security Pte. Ltd. acquired 100% equity interest in Ashtree, a company incorporated in Singapore, and the fair value of the identifiable assets and liabilities of Ashtree as at the acquisition date were:

	Fair value recognised on acquisition
	S$'000
Property, plant and equipment	11
Customer contracts and contractual customer relationships	207
Trade and other receivables	116
Cash and cash equivalents	10
Trade and other payables	(24)
Deferred tax liabilities	(35)
Total identifiable net assets at fair value	285
Goodwill arising from acquisition	115
Total consideration	400
Consideration transferred for the acquisition of Ashtree	
Consideration to be settled via cash	400
Effect of the acquisition of Ashtree on cash flows	
Total consideration for 100% of equity interest acquired	400
Less: Cash and cash equivalents of subsidiary acquired	(10)
Net cash outflow on acquisition	390

Transaction costs
No transaction costs related to the acquisition was recognised in the Group's profit or loss for the financial year ended 31 December 2016.

Trade and other receivables acquired
Trade and other receivables acquired represent their gross amounts.

Goodwill arising from acquisition
Goodwill of S$115,000 arising from the acquisition is attributable to the expected synergies from combining the operations of the Group with Ashtree and instant entry into new business area such as aviation security. None of the goodwill is expected to be deductible for tax purposes.

Intangible assets
Intangible assets identified relate to contractual customer relationships which are attributable to long-term relationships with its major customers. The useful life is estimated at three years.

Impact of the acquisition on profit or loss
From the date of acquisition, Ashtree has contributed S$442,000 and S$71,000 to the revenue and profit after tax of the Group respectively. If the combination has taken place at the beginning of the financial year, the contribution to the Group's revenue and profits after tax would have been S$792,000 and S$113,000 respectively.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

15. Investment in associate

	Group 2017 S$'000	Group 2016 S$'000
Investment in associate, at cost	2	-
Share of associate's results	*	-
Carrying amount	2	-

* *Denotes amounts less than S$1,000*

The details of the associates are as follows:

Name of associate	Place of business/ Country of incorporation	Principal activities	Proportion of ownership interest 2017 %	Proportion of ownership interest 2016 %
Held through Advancer Global Facility Pte. Ltd.				
G3 Environmental Private Limited ("**G3**")	Singapore	Commercial and industrial real estate management/ Recycling of metal waste and scrap	20.1	-
Held through G3				
Chiang Kiong Environmental Pte. Ltd.	Singapore	Commercial and industrial real estate management/ Recycling of metal waste and scrap	20.1	-
Chiang Kiong Resources (Paper) Pte. Ltd.	Singapore	Recycling of metal waste and scrap/ Collection of waste	20.1	-
Envotek Engineering Pte. Ltd.	Singapore	Installation of industrial machinery and equipment, mechanical engineering works/ General contractors	20.1	-

The associate is dormant as at 31 December 2017 and is audited by Deloitte & Touche LLP.

The activities of the associate are strategic to the Group's activities.

On 28 December 2017, Advancer Global Facility Pte. Ltd. subscribed 201,000 new ordinary shares in the capital of G3 amounting to S$2,010 in cash, representing 20.1% of entire equity interests in G3, at S$0.01 per ordinary share. Accordingly, G3 became an associated company of the Group.

On 29 December 2017, G3 completed the acquisition of 100% equity interests in Chiang Kiong Environmental Pte. Ltd., Chiang Kiong Resources (Paper) Pte. Ltd. and Envotek Engineering Pte. Ltd. at an aggregate consideration of S$18,500,000, of which S$3,718,500 was provided as a loan by Advancer Global Facility Pte. Ltd. in proportion to its shareholding in G3.

The financial statements of G3 are made up to 31 May each year. This was the financial reporting date established when G3 was incorporated, and a change of reporting date is not made because the reporting date is required to be the same as G3's parent company, TEE Infrastructure Private Limited, who holds 50.1% equity interest in G3.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

15. Investment in associate (Continued)

Summarized financial information for associated company

The summarized financial information in respect of 31 December 2017 based on its unaudited FRS financial statements as follows:

	2017
	S$'000
Assets and liabilities:	
Non-current assets	10,851
Current assets	14,609
Total assets	25,460
Non-current liabilities	855
Current liabilities	23,125
Total liabilities	23,980
Net assets	1,480
Group's share of associate's net assets	297
Carrying amount of the investment as at 31 December	2
Results post-acquisition to 31 December 2017:	
Revenue	-
Loss for the financial period	*
Group's share of associate's loss for the financial year	*

* *Denotes amount less than S$1,000*

16. Available-for-sale financial assets

	Group	
	2017	2016
	S$'000	S$'000
Unquoted equity shares, at cost		
At beginning of financial year	99	-
Acquisition of a subsidiary (Note 14(g))	-	99
At end of financial year	99	99

As at 31 December 2017, the Group has an investment in Beijing Singapore Technology & Facility Management Co., Ltd, a company incorporated in People's Republic of China, held through its subsidiary, Newman & Goh Property Consultants Pte Ltd, with shareholding at 10% (2016: 10%).

The unquoted available-for-sale financial assets is accounted for at cost less impairment losses basis as the fair value cannot be reliably measured.

Available-for-sale financial assets are denominated in Chinese Renminbi.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

17. Property, plant and equipment

Group	Leasehold building	Cleaning equipment	Motor vehicles	Computers and office equipment	Renovation, furniture and fittings	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Cost						
At 1 January 2016	-	87	653	582	260	1,582
Additions	-	40	647	200	75	962
Disposals	-	-	(127)	-	-	(127)
Write-offs	-	(9)	(42)	(4)	-	(55)
Acquisition of subsidiaries (Note 14)	-	36	118	45	156	355
At 31 December 2016	-	154	1,249	823	491	2,717
Additions	883	55	50	474	112	1,574
Disposals	-	(6)	(113)	(4)	-	(123)
Write-offs	-	(2)	(3)	(79)	(15)	(99)
Acquisition of a subsidiary (Note 14(b))	-	-	43	-	-	43
At 31 December 2017	883	201	1,226	1,214	588	4,112
Accumulated depreciation						
At 1 January 2016	-	27	316	433	219	995
Depreciation	-	23	216	86	43	368
Disposals	-	-	(88)	-	-	(88)
Write-offs	-	(9)	(35)	(2)	-	(46)
At 31 December 2016	-	41	409	517	262	1,229
Depreciation	-	45	262	145	104	556
Disposals	-	(4)	(80)	(4)	-	(88)
Write-offs	-	(2)	(3)	(76)	(15)	(96)
At 31 December 2017	-	80	588	582	351	1,601
Carrying amount						
At 31 December 2017	883	121	638	632	237	2,511
At 31 December 2016	-	113	840	306	229	1,488

Property, plant and equipment of the Group with carrying amount of S$572,000 (2016: S$507,000) were acquired under finance lease arrangements (Note 25).

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$1,574,000 (2016: S$962,000) of which S$Nil (2016: S$478,000) and S$688,000 (2016: S$Nil) were acquired by means of finance leases (Note 25) and bank borrowings (Note 27) respectively. Cash payments of S$886,000 (2016: S$484,000) were made to purchase property, plant and equipment.

The Group's leasehold building with carrying amount of S$883,000 (2016: S$Nil) is mortgaged to secure the Group's bank borrowings (Note 27).

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

17. Property, plant and equipment (Continued)

Details of the leasehold building held by the Group as at 31 December 2017 are set out below:

Description and location	Tenure	Unexpired lease term
18 Boon Lay Way #03-138 Tradehub 21, Singapore 609966 (the "**Tradehub21 Property**")	46 years 4 months	46 years

18. Deferred tax

	Group	
	2017	2016
	S$'000	S$'000
Deferred tax liabilities	(319)	(426)

Deferred tax assets and liabilities principally arise as a result of difference between carrying amount and tax written down value of property, plant and equipment.

The movements in deferred tax position for the financial year are as follows:

Deferred tax assets

	Group	
	2017	2016
	S$'000	S$'000
At beginning of financial year	-	36
Charged to profit or loss	-	(36)
At end of financial year	-	-

Deferred tax liabilities

	Group	
	2017	2016
	S$'000	S$'000
At beginning of financial year	(426)	(33)
Credited/(Charged) to profit or loss	95	(7)
Over-provision in prior financial years	18	6
Acquisition of subsidiaries	(6)	(392)
At end of financial year	(319)	(426)

The following deferred income tax assets have not been recognised in the statements of financial position in respect of the tax losses and capital allowances due to uncertainty in the availability of future taxable profit against which the Group can utilise the tax benefits are as follows:

	Group	
	2017	2016
	S$'000	S$'000
Tax losses	138	-
Capital allowances	70	43
	208	43
Unrecognised deferred tax benefits at statutory rate	35	7

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

19. Inventories

Inventories of the Group comprise mainly chemical products, electronic products for sales and other materials that used for the daily operation purpose.

20. Trade and other receivables

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Trade receivables				
– Third parties	10,391	8,994	-	-
Less: Allowance for doubtful receivables	(115)	(123)	-	-
Total trade receivables	10,276	8,871	-	-
Other receivables				
– Third parties	21	299	3	3
– Subsidiaries	-	-	4,484	-
– Loan to an associate company	3,719	-	-	-
– Advances to recruiters and suppliers	444	317	-	-
– Deferred cost	63	-	-	-
– Deposits	628	457	4	2
– Dividend receivable from subsidiaries	-	-	1,990	1,550
– Prepayments	477	252	259	8
– Receivable from government credit schemes	832	780	-	-
– Staff loans	162	112	-	-
Total other receivables	6,346	2,217	6,740	1,563
Total trade and other receivables	16,622	11,088	6,740	1,563

Trade receivables are non-interest bearing and the Group generally does not extend credit period to the customers except for pest control business, security consultancy business and landscape business which have credit period extended at 7 to 90 (2016: 7 to 90) days credit. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables are customer accounts amounting to S$Nil (2016: S$1,059,000) which have been factored to a financial institution (Note 27(a)).

Trade receivables of S$3,339,000 (2016: S$949,000) are secured for bank borrowings (Note 27(b)) with a financial institution.

Other receivables from third parties amounting to S$Nil (2016: S$1,000) are subject to interest ranging from 1% to 3% per month.

Other receivables from subsidiaries and loan to an associate company are unsecured, interest free and repayable on demand.

Advances to recruiters represent advanced payments as at financial year end that would be offset against the costs of Foreign Domestic Workers ("**FDW**") arrivals in the next financial year.

Deferred costs relate to the recruitment expenses deferred till completion of the performance obligation to recruiters in the future financial period.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

20. Trade and other receivables (Continued)

Staff loans are unsecured, interest-free and repayable on demand.

Allowances are made in respect of estimated irrecoverable amounts and determined by reference to past default experience. If repeated reminders and letters of demand to settle overdue payments fail to yield results, the Group will make allowances or write off the debts on a case-by-case basis.

The carrying amount of trade receivables individually determined to be impaired is as follows:

	Group	
	2017	2016
	S$'000	S$'000
Past due for 0 to 30 days	3	-
Past due for 31 to 60 days	1	-
Past due for 61 to 90 days	2	-
Past due for more than 90 days	109	123
	115	123

Movements in the allowance for doubtful trade receivables are as follows:

	Group	
	2017	2016
	S$'000	S$'000
At beginning of financial year	123	73
Acquisition of subsidiaries	-	506
Allowance charged to profit or loss	71	-
Allowance written off during the financial year	(79)	(73)
Allowance written back during the financial year	-	(383)
At end of financial year	115	123

Trade and other receivables are denominated in Singapore dollar.

21. Cash and cash equivalents

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Cash at banks	7,964	8,171	1,182	1,684
Cash on hand	64	62	*	-
Fixed deposits	5	5	-	-
	8,033	8,238	1,182	1,684

* *Denotes amount less than S$1,000*

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

21. Cash and cash equivalents (Continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Fixed deposits of the Company bear interest rates ranging from 0.25% to 0.35% (2016: 0.25% to 0.35%) per annum with average maturity period of 1 (2016: 12) month at the end of financial year.

The fixed deposits of S$5,000 (2016: S$5,000) were pledged to financial institutions for banker guarantees which was issued by the banker to Group's customers as security deposit for provision of fumigation services.

Cash and cash equivalents are denominated in Singapore dollar.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of financial year:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Cash and bank balances	8,033	8,238	1,182	1,684
Fixed deposits pledged	(5)	(5)	-	-
Cash and cash equivalents	8,028	8,233	1,182	1,684

22. Share capital

	Group		Company	
	No. of shares		No. of shares	
	'000	S$'000	'000	S$'000
Issued and fully paid, with no par value				
At 1 January 2016/date of incorporation	1,405	1,405	*	*
Adjustment pursuant to the Restructuring Exercise	(1,405)	(1,405)	-	-
Issuance of ordinary shares pursuant to:	173,173	14,281	173,173	14,281
– Restructuring Exercise	130,173	4,821	130,173	4,821
– Public issue for cash	43,000	9,460	43,000	9,460
Share issue expenses	-	(719)	-	(719)
At 31 December 2016	173,173	13,562	173,173	13,562
Issuance of ordinary shares	12,500	5,000	12,500	5,000
Share issue expenses	-	(184)	-	(184)
At 31 December 2017	185,673	18,378	185,673	18,378

* *Denotes amount less than S$1,000*

For the purpose of the preparation of the statements of financial position, issued share capital as of 1 January 2016 represents the aggregated number of issued and paid-up share capital of all companies within the Group were under common control.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

22. Share capital (Continued)

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, the Company issued 4,821,207 ordinary shares at an issue price of S$1 per share. Subsequent to the Restructuring Exercise, on 1 June 2016, the shareholders approved a share split of the issued and paid-up ordinary shares of the Company wherein each share was split into 27 ordinary shares. Subsequent to the sub-division, the Company issued additional 43,000,000 ordinary shares pursuant to the IPO of the Company.

On 2 May 2017, the Company issued 12,500,0000 new ordinary shares ("**Placement Shares**") at an issue price of S$0.40 per Placement Share ("**Placement**") and 6,250,000 warrants ("**Warrant Shares**"), each carrying the right to subscribe for 1 new ordinary share in the capital of the Company at an exercise price of S$0.45 per Warrant Share. The Placement rise gross proceed of S$5.0 million. As at 31 December 2017, 6,250,000 Warrant Shares are outstanding and have not been exercised.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

23. Other reserves

Other reserves comprise of reserves as follows:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Capital reserve	(353)	-	-	-
Share options reserve	36	-	36	-
Merger reserve	(2,603)	(2,603)	-	-
	(2,920)	(2,603)	36	-

Capital reserve

The capital reserve represents the difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest of Unipest for the acquisition of the remaining 20% equity interest in Unipest (Note 14(d)).

Share Options reserve

The share options reserve comprises the cumulative value of employee services received for the issue of share options. When the share options are exercised, the related balance previously recognised in the share options reserve is transferred to share capital. When the share options expire, the related balance previously recognised in the share options reserve is transferred to accumulated profits. Further information about the share-based payments to employees is set out in Note 24 of the financial statements.

Merger reserve

Merger reserve represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares and net asset value of the subsidiaries acquired which is accounted for under "merger accounting".

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

24. Share based payment

The ESOS of the Company was approved and adopted by its members on 6 June 2016.

Information regarding the ESOS is set out below:

1. Group employees (including Directors of the Company) who have attained the age of 21 years and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have been in the employment of the Group for a period of at least 12 months, or such shorter period as the Remuneration Committee may determine, are eligible to participate in the ESOS.

2. The maximum discount shall not exceed 20% of the market price on the date of the grant of the options.

3. The options granted with the exercise price set at market price should only be exercised after the first anniversary from the grant date and before the tenth anniversary of the grant date.

4. The option granted with exercise price set at a discount to market price should only be exercised after the second anniversary from the grant date and before the tenth anniversary of the grant date.

5. The option shall immediately lapse and become null and void when the participant cease to be in employment of the Group.

6. All options are settled by delivery of shares.

On 20 April 2017, the Company granted 1,156,500 share options, at exercise price of S$0.40 for each share, to the eligible employees of the Group. The options shall be vested equally over three years, first year of vesting being two years from the grant date. The options shall be exercised (a) before the fifth anniversary of the grant date, failing which all unexercised options shall immediately lapse and become null and void, and (b) in whole and not in part, i.e. all at once, not multiple series of smaller lots.

Details of the share options outstanding during the financial year are as follows:

	Group and Company 2017	
	Number of share options	**Weighted average exercise price**
	('000)	**S$**
Outstanding at the beginning of the financial year	-	-
Granted during the financial year	1,157	0.40
Lapsed during the financial year	(30)	0.40
Exercised during the financial year	-	-
Outstanding at the end of the financial year	1,127	0.40
Exercisable at the end of the financial year	-	-

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

24. Share based payment (Continued)

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Fair value of share options and assumptions

Date of grant of options	20 April 2017
Fair value at measurement date	S$0.128
Share price	S$0.345
Exercise price	S$0.40
Expected volatility	53.63%
Expected option life	5 years
Expected dividends yield	2.26%
Risk-free interest rate	1.62%

The expected volatility is based on the historical volatility of comparable companies (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions and non-market performance conditions associated with the share option grants. Service conditions are taken into account in the measurement of the fair value of the services to be received at the grant date.

25. Finance lease payables

The Group has finance leases for certain motor vehicles. These leases do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group			
	2017		2016	
	S$'000		S$'000	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	165	135	201	164
After one year but within five years	520	452	586	488
After five years	34	33	133	129
Total minimum lease payments	719	620	920	781
Less: Future finance charges	(99)	-	(139)	-
Present value of minimum lease payments	620	620	781	781

The finance lease terms are generally at three to seven years.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

25. Finance lease payables (Continued)

The effective interest rates charged during the financial year range from 2.99% to 6.53% (2016: 2.99% to 6.53%) per annum. Interest rates are fixed at the contract dates, and thus are not exposed to fair value interest rate risk. As at the end of the financial year, the fair values of the Group's finance lease obligations approximate their carrying amounts.

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's finance lease payables are secured by the lessors' title to the leased assets, which will revert to the lessors in the event of default by the Group, and by personal guarantee from directors of the Group.

Finance lease payables are denominated in Singapore dollar.

26. Trade and other payables

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000 (Restated)	S$'000	S$'000
Trade payables				
– Third parties	1,207	1,153	-	-
– Related party	19	-	-	-
Other payables				
– Accrued operating expenses	3,652	3,294	277	208
– Contingent consideration payables	3,087	3,037	-	-
– Deferred income	485	490	-	-
– Deposit received	30	33	-	-
– Directors of subsidiaries	-	1,000	-	-
– Dividend payables to non-controlling interests	144	-	-	-
– Credit notes to customers	188	159	-	-
– Provision for warranties	10	9	-	-
– GST payables	762	752	-	-
– Taxes withheld	24	59	-	-
Total trade and other payables	9,608	9,986	277	208

Trade payables are non-interest bearing and the average credit period on purchases of supplies and services range from 31 to 60 (2016: 31 to 60) days according to the terms agreed with the suppliers.

Contingent consideration payables are the fair value of remaining consideration payable to the previous shareholders of acquired subsidiaries. It comprises (i) payable of S$3,037,000 pursuant to the acquisition of Premier Group as a result of finalisation of purchase price allocation exercise and accordingly, the contingent consideration payable as at 31 December 2016 have been restated (Note 14(f)), and (ii) payable of S$50,000 pursuant to the acquisition of Envirocare.

Deferred income relates to advance payments received from customers in respect of services provided by subsidiaries of the Group.

The non-trade amounts due to directors of subsidiaries are unsecured, interest-free and are repayable on demand. Included in the amount due to directors of subsidiaries relates to the remaining consideration payable for acquisition of Newman Group during the financial year ended 31 December 2016.

Credit notes to customers relate to amount refundable to employers for return of FDWs placed during the financial year.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

26. Trade and other payables (Continued)

The Group provides five-year warranties relating to pest control services rendered that failed to perform satisfactorily. The provision for warranties represents the management's best estimates of total cost of corrective treatment with reference to historical trends within the warranty periods granted.

Movements in the provision for warranties are as follows:

	Group	
	2017	**2016**
	S$'000	**S$'000**
At beginning of financial year	9	9
Provision made (Note 8)	1	*
At end of financial year	10	9

* *Denotes amount less than S$1,000*

Trade and other payables are denominated in Singapore dollar.

27. Bank borrowings

	Group	
	2017	**2016**
	S$'000	**S$'000**
Term loan 1 (unsecured) (a)	-	147
Term loan 2 (unsecured) (a)	-	7
Term loan 3 (secured) (b)	601	443
Property loan (secured) (c)	678	-
	1,279	597
Repayable:		
Within one year	630	597
Within 2 to 5 years	91	-
More than 5 year	558	-
	1,279	597

(a) Term loan 1 and 2

Accounts Receivable Purchase facilities of S$2,000,000 (2016: S$2,000,000) and overdraft facilities of S$1,500,000 (2016: S$1,250,000) are guaranteed by the Company and its subsidiary, Advancer Global Facility Pte. Ltd.. The outstanding factoring loan bear interest at 0.75% (2016: 0.75%) per annum over the bank's prevailing prime rate.

The term loan 1 was secured by a fixed charge for all monies owing (including interest) from time to time standing to the credit of the factored invoices and the debt represented thereby. The fixed charge was cancelled during the financial year ended 31 December 2016.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

27. Bank borrowings (Continued)

(b) Term loan 3

Account Receivables facility of S$1,900,000 (2016: S$900,000) with recourse, non-notification and on a revolving basis, which bears interest at 3.86% (2016: 3.86%) over prevailing bank's borrowing rate, and is repayable on demand.

The Account Receivable facility is secured by:
(i) Joint personal guarantee by directors of the Group; and
(ii) All present and future account receivables of subsidiaries (Note 20).

(c) Property loan

The property loan is secured by first legal mortgage over the Tradehub21 Property and guaranteed by the Company and its subsidiary, Advancer Global Security Pte. Ltd.. The property loan bears interest at 1.68% in the first year, bank's prevailing enterprise financing rate ("**EFR**") minus 4.12% in the second year and bank's EFR in the subsequent years.

The carrying amounts of the Group's bank borrowings approximate their fair values due to either the relatively short-term maturity of these loans or the interest rates approximate the market rates prevailing at end of the financial year.

Bank borrowings are denominated in Singapore dollar.

28. Operating lease commitments

The Group as lessee

At the end of the financial year, the Group has commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises, office equipment, motor vehicles and other operating facilities are as follows:

	Group	
	2017	**2016**
	S$'000	**S$'000**
Future minimum lease payments payable:		
Within one year	1,583	1,510
After one year but within five years	1,327	1,369
	2,910	2,879

The leases have its remaining lease terms from one month to approximately five years, with an option to renew the lease subject to certain conditions being met. Operating lease payments represent rents payable by the Group. The lease expenditure charged to profit or loss during the financial year is disclosed in Note 8 to the financial statements.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

28. Operating lease commitments (Continued)

The Group as lessor

The Group sub-let its office premise under operating leases. These non-cancellable leases have remaining lease terms of eleven months.

As at the end of the financial year, future minimum rentals receivables under non-cancellable operating leases are as follows:

	Group	
	2017	**2016**
	S$'000	**S$'000**
Future minimum lease payments receivable:		
Within one year	37	65
After one year but within five years	-	37
	37	102

The rental income recognised in profit or loss during the financial year is disclosed in Note 6 to the financial statements.

29. Contingent liabilities

As at 31 December 2017, the Company has given corporate guarantees amounting to S$4,188,000 (2016: S$3,250,000) to certain banks and financial institutions in respect of banking facilities granted to the subsidiaries (Note 27).

The Company has evaluated the fair value of the corporate guarantee. Consequently, the Company is of the view that the fair value of the guarantees to the banks and financial institutions with regard to the subsidiaries is not significant. The Company has not recognised any liability in respect of the guarantees given to the banks for banking facilities granted to the subsidiaries as the Company's directors have assessed that the likelihood of the subsidiaries defaulting on repayment is remote.

As at the end of the financial year, the total amount of outstanding bank borrowings covered by corporate guarantees is S$678,000 (2016: S$154,000) (Note 27). There has been no default or non-repayment since the utilisation of the banking facility. Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the respective subsidiaries to which the guarantees were extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings.

As at the end of the financial year, the Company had also given undertakings to certain subsidiaries for providing them with continued financial support. The financial support enable these subsidiaries to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

30. Significant related party transactions

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following significant transactions with related parties:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Subsidiaries				
Dividend income	-	-	2,390	3,100
Payment on behalf by subsidiary	-	-	-	944
Payment on behalf for subsidiary	-	-	166	-
Advances to subsidiaries	-	-	4,418	-
Related parties				
Service income from related parties	9	6	-	-
Purchases from non-controlling interests	476	-	-	-
Deposit paid to a director	-	6	-	-
Payment on behalf by related parties	143	250	-	-
Lease from a related party	77	55	-	-

Key management personnel remuneration

	Group	
	2017	2016
	S$'000	S$'000
Salaries, bonuses and other employee benefits	3,221	2,392
Defined contribution plan	361	241
Employee share options	11	-
	3,593	2,633
Directors' fees		
Directors of the Company	114	64

The key management personnel comprise directors and senior management of the Company and its subsidiaries such as Head of Employment Services Business, Chief Financial Officer, and their compensation is disclosed as above.

The key management personnel also participate in the Group's ESOS. At the end of the financial year, 326,000 (2016: Nil) share options granted to the key management personnel of the Group were outstanding.

31. Financial instruments and financial risks

The Group's activities expose it to credit risks, market risks (including foreign currency risks and interest rate risks) and liquidity risks. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

31. Financial instruments and financial risks (Continued)

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Credit risks

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics.

The Group's major classes of financial assets are bank deposits and trade and other receivables.

Bank deposits are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies.

Trade and other receivables that are neither past due nor impaired are substantially entities with good collection track record with the Group.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

The age analysis of trade receivables is as follows:

	Group	
	2017	**2016**
	S$'000	**S$'000**
Not past due	606	604
Past due for 0 to 30 days	4,657	3,706
Past due for 31 to 60 days	2,591	2,390
Past due for 61 to 90 days	1,256	1,358
Past due for more than 90 days	1,166	813
Total	10,276	8,871

The movements in the allowance for impairment in respect of trade receivables during the financial year are disclosed in Note 20 to the financial statements.

Trade receivables that are individually determined to be impaired at the end of the financial year relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Based on past experience, except for certain trade receivables balances that were impaired, the Group believes that no impairment allowance is necessary in respect of the remaining trade receivables due to the good payment track record of its customers.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

31. Financial instruments and financial risks (Continued)

Credit risks (Continued)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the financial year is as follows:

	Group	
	2017	**2016**
	S$'000	**S$'000**
By industry sectors:		
Employment Services	98	99
Building Management Services	6,675	5,931
Security Services	3,503	2,841
	10,276	8,871

The Group has no significant concentration of credit risk. Trade receivables are spread over a broad base of customers. There is no individual customer who accounts for 5% or more of total Group's sales. Further details of credit risk on trade receivables are disclosed in Note 20 to the financial statements. As at the end of the financial year ended 31 December 2017 and 2016, none of the Group's trade and other receivables were due from related parties.

Market risks

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risks

The Group is not exposed to foreign currency risk as the transactions are denominated in Singapore dollar, which is the functional currency of the Group.

Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risks relate to interest-bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short term borrowings.

The Group's interest rate risks arise primarily from the floating rate borrowings with financial institutions.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

31. Financial instruments and financial risks (Continued)

Market risks (Continued)

The Group's exposure to interest rate risks are disclosed in the Notes 25 and 27 to the financial statements, and the interest rates are as follows:

	Group	
	2017	2016
	S$'000	S$'000
Bank loans	1.68% to 6.00%	5.00% to 6.25%
Finance lease payables	2.99% to 6.53%	2.99% to 6.53%

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risks for both derivatives and non-derivative instruments at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole financial year. The sensitivity analysis assumes an instantaneous 1% (2016: 1%) change in the interest rates from the end of the financial year, with all variables held constant.

	Group Increase/Decrease in Profit or Loss	
	2017	2016
	S$'000	S$'000
Bank loans	11	5

Liquidity risks

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group's operations are financed mainly through equity, retained earnings and borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

The repayment terms of the finance lease payables, bank loans and overdrafts are disclosed in Notes 25 and 27 to these financial statements respectively.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

31. Financial instruments and financial risks (Continued)

Liquidity risks (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

Group	1 year or less	2 to 5 years	Over 5 years	Total
	S$'000	S$'000	S$'000	S$'000
2017				
Financial assets:				
Trade and other receivables	16,622	-	-	16,622
Less: Deferred cost	(63)			(63)
Less: Prepayments	(477)	-	-	(477)
	16,082	-	-	16,082
Cash and cash equivalents	8,033	-	-	8,033
	24,115	-	-	24,115
Financial liabilities:				
Trade and other payables	9,608	-	-	9,608
Less: Deferred income	(485)	-	-	(485)
	9,123	-	-	9,123
Finance lease payables	165	520	34	719
Bank borrowings	678	218	840	1,736
	9,966	738	874	11,578
Total net undiscounted financial assets/(liabilities)	14,149	(738)	(874)	12,537
2016				
Financial assets:				
Trade and other receivables	11,088	-	-	11,088
Less: Prepayments	(252)	-	-	(252)
	10,836	-	-	10,836
Cash and cash equivalents	8,238	-	-	8,238
	19,074	-	-	19,074
Financial liabilities:				
Trade and other payables (restated)	9,986	-	-	9,986
Less: Deferred income	(490)	-	-	(490)
	9,496	-	-	9,496
Finance lease payables	201	586	133	920
Bank borrowings	625	-	-	625
	10,322	586	133	11,041
Total net undiscounted financial assets/(liabilities)	8,752	(586)	(133)	8,033

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

31. Financial instruments and financial risks (Continued)

Liquidity risks (Continued)

Company	On demand and within 1 year
	S$'000
2017	
Financial assets:	
Trade and other receivables	6,740
Less: Prepayments	(259)
	6,481
Cash and cash equivalents	1,182
	7,663
Financial liabilities:	
Trade and other payables	277
Total net undiscounted financial assets	7,386
2016	
Financial assets:	
Trade and other receivables	1,563
Less: Prepayments	(8)
	1,555
Cash and cash equivalents	1,684
	3,239
Financial liabilities:	
Trade and other payables	208
Total net undiscounted financial assets	3,031

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

31. Financial instruments and financial risks (Continued)

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000 (Restated)	S$'000	S$'000
Loans and receivables				
Trade and other receivables	16,622	11,088	6,740	1,563
Less: Deferred cost	(63)	-	-	-
Less: Prepayments	(477)	(252)	(259)	(8)
	16,082	10,836	6,481	1,555
Cash and cash equivalents	8,033	8,238	1,182	1,684
Total	24,115	19,074	7,663	3,239
Available-for-sale financial assets	99	99	-	-
Financial liabilities at amortised cost				
Trade and other payables	9,608	9,986	277	208
Less: Deferred income	(485)	(490)	-	-
	9,123	9,496	277	208
Finance lease payables	620	781	-	-
Bank borrowings	1,279	597	-	-
Total	11,022	10,874	277	208

32. Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debts, which includes the borrowings disclosed in Note 27 and equity attributable to owners of the Company, comprising issued capital, retained earnings and reserves as disclosed in Notes 22, 23 and statements of changes in equity.

The Group's management reviews the capital structure on a regularly basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends to shareholders, issue new shares and share buy-backs. The Group's overall strategy remains unchanged from 2016.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

32. Capital management policies and objectives (Continued)

Management monitors capital based on a gearing ratio of less than one. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (excluding income tax payable and deferred tax liabilities as shown in the statements of financial position), less cash and cash equivalents. Total capital is calculated as total equity as shown in the statements of financial position, plus net debt.

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000 (Restated)	S$'000	S$'000
Total liabilities	11,507	11,364	277	208
Less: Cash and cash equivalents	(8,033)	(8,238)	(1,182)	(1,684)
Net debt	3,474	3,126	(905)	(1,476)
Total equity	22,065	16,177	19,049	14,410
Total capital	25,539	19,303	18,144	12,934
Gearing ratio	0.14	0.16	N.M.	N.M.

* *N.M.: Not meaningful*

The Group and the Company are not subjected to any externally imposed capital requirements during the financial years ended 31 December 2017 and 2016.

33. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

(a) Employment Services Business segment – the provision of one-stop shop services for the sourcing, employment and training of FDWs to households, as well as sourcing and employment of foreign workers to, amongst others, corporate and organisations.

(b) Building Management Services Business segment – the provision of integrated building facility management services including property consultancy, property and facilities management services, property valuation, investment sales, cleaning and stewarding, waste management, landscape, pest control and fumigation services to, amongst others, hospitals, hotels, schools, residential, commercial and industrial properties. The name of this segment was changed from Cleaning and Stewarding Business segment to Building Management Services Business as a result of the acquisition of the subsidiaries (Note 14) during the financial year ended 31 December 2016.

(c) Security Services Business segment – the provision of manpower and technology for security solutions and services to, amongst others, commercial, industrial and residential properties, as well as security escort services, remote surveillance and security consultancy services such as crisis management.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the financial statements. Group financing (including finance expenses) and income taxes are managed on a group basis and are not allocated to operating segments.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

33. Segment information (Continued)

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3.22.

Information about reportable segments

Group	Employment Services Business	Building Management Services Business	Security Services Business	Unallocated	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
2017					
External sales	13,151	37,135	14,974	-	65,260
Cost of services	7,012	27,538	11,853	-	46,403
Interest income	-	15	-	-	15
Interest expense	3	53	45	-	101
Amortisation	-	530	69	-	599
Depreciation	150	269	137	-	556
Allowance for doubtful receivables (trade)	-	71	-	-	71
Reportable segment profit before income tax	1,190	1,991	1,143	(949)	3,375
Reportable segment assets	3,433	22,084	7,426	1,448	34,391
Reportable segment liabilities	1,933	6,862	3,254	277	12,326
Capital expenditures	22	134	1,418	-	1,574
2016					
External sales	12,627	24,753	13,529	-	50,909
Cost of services	7,104	18,711	11,539	-	37,354
Interest income	-	14	-	-	14
Interest expense	5	48	53	-	106
Amortisation	-	214	27	-	241
Depreciation	108	131	129	-	368
Write back of allowance for doubtful receivables	-	383	-	-	383
Reportable segment profit before income tax	1,262	2,864	820	(1,646)	3,300
Reportable segment assets (restated)	2,403	18,587	5,754	1,697	28,441
Reportable segment liabilities (restated)	1,834	7,558	2,317	555	12,264
Capital expenditures	395	229	338	-	962

Geographical information

The Group operates only in one geographical location, being Singapore.

The Group's revenue and non-current assets information based on the geographical location of customers and assets respectively are in Singapore, with no significant concentration of particular customers.

Notes to the Financial Statements (Cont'd)

For the Financial Year ended 31 December 2017

34. Dividends

	Group and Company	
	2017	2016
	S$'000	S$'000
Declared during the financial year:		
Dividends on ordinary shares		
Interim tax exempt dividend for 2017: S$0.0049 (2016: S$0.0035) per share	909	606
Final tax exempt dividend for 2016: S$0.0043 per share	745	-
	1,654	606
Dividends were settled as follows:		
Cash paid during the financial year		
Interim tax exempt dividend in respect of the financial year ended:		
31 December 2017	909	-
31 December 2016	745	606
31 December 2015	-	2,000
Total dividends settled during the financial year	1,654	2,606

35. Restatements of comparative figures

As detailed in Note 14(f), FRS 103 requires the comparative figures to be restated retrospectively when the PPA exercise is finalised and the fair value of identified assets, liabilities and contingent liabilities at date of acquisition is identified.

The modifications to the financial statements presentation and these changes are summarised below:

	Previously stated	Re-measurement adjustment	Restated
	S$'000	S$'000	S$'000
2016 statement of financial position:			
Goodwill	2,306	3,037	5,343
Trade and other payables	6,949	3,037	9,986

The restatement did not have any impact to the financial statements at the beginning of financial year 2016. Accordingly, the statement of financial position as at beginning of financial year 2016 was not presented.

36. Subsequent event after reporting date

On 1 February 2018, the Group made a payment of S$3,100,000 in cash to the previous shareholder of Premier Group as the settlement of the contingent consideration for the acquisition of Premier Group. The contingent consideration was fair valued at S$3,037,000 as at the year end for the financial year ended 31 December 2017.

Statistics of Shareholdings

As at 20 March 2018

Issued and fully paid-up capital	:	S$19,281,208
No. of shares issued	:	185,672,589
Class of Shares	:	Ordinary Shares
Voting rights	:	1 vote per share
No. of treasury shares and subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS AS AT 20 MARCH 2018

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	0	0.00	0	0.00
100 - 1,000	25	4.33	21,300	0.01
1,001 - 10,000	239	41.42	1,556,700	0.84
10,001 - 1,000,000	300	52.00	26,093,800	14.05
1,000,001 AND ABOVE	13	2.25	158,000,789	85.10
TOTAL	577	100.00	185,672,589	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 20 MARCH 2018

No.	Name of Shareholder	No. of Shares	%
1	CHIN SWEE SIEW @ CHEN YIN SIEW	37,555,418	20.23
2	CHIN MUI HIONG	37,138,249	20.00
3	CHIN MEI YANG	30,572,337	16.47
4	ONG ENG TIANG	19,753,682	10.64
5	CIMB SECURITIES (SINGAPORE) PTE. LTD.	12,510,000	6.74
6	TEO SAU KEONG	6,577,903	3.54
7	UOB KAY HIAN PRIVATE LIMITED	4,822,000	2.60
8	KEK YEW LENG @ KEK BOON LEONG	2,000,000	1.08
9	LIU WENYING	2,000,000	1.08
10	CHIN YIN YEE STANLEY	1,550,000	0.83
11	THE KONGZI CULTURE FUND LTD	1,200,000	0.65
12	RAFFLES NOMINEES (PTE) LIMITED	1,175,700	0.63
13	LIM CHER KHIANG	1,145,500	0.62
14	SING CHEE NGEE	1,000,000	0.54
15	MAYBANK KIM ENG SECURITIES PTE. LTD.	942,800	0.51
16	LEOW KIM SIANG OR NG MAY CHOO	750,000	0.40
17	HUI HIU FAI	745,000	0.40
18	PHILLIP SECURITIES PTE LTD	703,200	0.38
19	ANG BOON HOW	688,900	0.37
20	CHUA TAI WEE (CAI DAWEI)	675,000	0.36
	TOTAL	163,505,689	88.07

SUBSTANTIAL SHAREHOLDERS AS AT 20 MARCH 2018 AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Substantial Shareholder	No. of Shares	%	No. of Shares	%
CHIN SWEE SIEW @ CHEN YIN SIEW	37,555,418	20.23	-	-
CHIN MUI HIONG	37,138,249	20.00	-	-
CHIN MEI YANG	30,572,337	16.47	-	-
ONG ENG TIANG	19,753,682	10.64	-	-
MES GROUP HOLDINGS PTE. LTD.[(1)]	12,500,000	6.73	-	-
MOHAMED ABDUL JALEEL S/O MUTHUMARICAR SHAIK MOHAMED [(1)]	502,500	0.27	12,500,000	6.73

Note:

(1) *Mr. Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed is deemed interested in the shares held by MES Group Holdings Pte. Ltd. in the share capital of the Company through his 100% interest held in MES Group Holdings Pte. Ltd.. The shares of the Company held by MES Group Holdings Pte. Ltd. are held through CIMB Securities (Singapore) Pte. Ltd.. Mr. Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed also holds 502,500 shares through Philip Securities Pte Ltd.*

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 20.70% of the issued ordinary shares in the capital of the Company are held in the hands of the public as at 20 March 2018. Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited has therefore been complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Advancer Global Limited (the "**Company**") will be held at Raffles Country Club, the Albatross Room, Level 2, 450 Jalan Ahmad Ibrahim, Singapore 639932 on Friday, 27 April 2018 at 10:00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2017 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final one-tier tax exempt dividend of 0.34 Singapore cent per ordinary share for the financial year ended 31 December 2017. **(Resolution 2)**

3. To re-elect the following directors who will cease to hold office under Regulation 117 of the Company's Constitution, and who, being eligible offer themselves for re-election as directors of the Company:

   Mr. Chin Mui Hiong **(Resolution 3)**
   Mr. Yau Thiam Hwa **(Resolution 4)**
   [See Explanatory Note (i)]

4. To approve the payment of S$114,000 as Directors' fees for the financial year ending 31 December 2018, payable quarterly in arrears. (FY2017: S$114,000) **(Resolution 5)**

5. To re-appoint Mazars LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without amendments, as Ordinary Resolutions:-

6. **Authority to allot and issue shares and convertible securities** **(Resolution 7)**

   That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the Constitution of the Company and Rule 806 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) allot and issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements, or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue:

   (i) additional Instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the directors while this Resolution was in force; and

   (ii) Shares in pursuance of any Instruments made or granted by the directors while this Resolution was in force or such additional Instruments in (b)(i) above,

Notice of Annual General Meeting (Cont'd)

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution) shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:-

(a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;

(b) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note (ii)]

7. **Authority to allot and issue Shares under Advancer Global Limited Scrip Dividend Scheme** **(Resolution 8)**

That pursuant to Section 161 of the Companies Act, Rule 805 of the Catalist Rules and the Constitution of the Company, authority be and is hereby given to the Directors to allot and issue from time to time such number of ordinary Shares as may be required to be allotted and issued pursuant to the Advancer Global Limited Scrip Dividend Scheme.
[See Explanatory Note (iii)]

Notice of Annual General Meeting (Cont'd)

8. **Authority to allot and issue Shares under Advancer Global Employee Share Option Scheme** **(Resolution 9)**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Advancer Global Employee Share Option Scheme ("**Advancer Global ESOS**") and to allot and issue or deliver from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the exercise of options granted under the Advancer Global ESOS, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Advancer Global ESOS, when aggregated to the aggregate number of Shares issued and issuable or transferred and to be transferred in respect of all options under any other share option schemes shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time. The authority conferred by this Resolution shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iv)]

9. **Authority to allot and issue shares under Advancer Global Performance Share Plan** **(Resolution 10)**

That authority be and is hereby given to the Directors to offer and grant awards in accordance with the provisions of the Advancer Global Performance Share Plan ("**Advancer Global PSP**") and to allot and issue or deliver from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the vesting of awards under the Advancer Global PSP, provided that the aggregate number of Shares to be allotted and issued pursuant to the Advancer Global PSP when aggregated with the aggregate number of Shares over which awards are granted under any other share schemes shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time. The authority conferred by this Resolution shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (v)]

10. **Proposed Renewal of Share Buy-back Mandate** **(Resolution 11)**

That:

(a) for the purposes of the Catalist Rules and the Companies Act, the exercise by Directors of all the powers of the Company to purchase or otherwise acquire the issued ordinary Shares in the capital of the Company not exceeding in aggregate the Prescribed Limit (as defined herein), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:

(i) on-market purchases, transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other securities exchange on which the Shares may, for the time being, be listed ("**Market Purchase**"); and/or

(ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) which shall satisfy all the conditions prescribed by the Companies Act, as may be determined or formulated by the Directors as they may consider fit ("**Off-Market Purchase**"),

and otherwise in accordance with all other laws, regulations and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-back Mandate**");

Notice of Annual General Meeting (Cont'd)

(b) the authority conferred on the Directors pursuant to the Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company is held or required by the law to be held;

(ii) the date on which the Share Buy-backs have been carried out to the full extent mandated under the Share Buy-back Mandate; or

(iii) the date on which the authority contained in the Share Buy-back Mandate is varied or revoked by Shareholders in a general meeting;

(c) in this Resolution:

"**Prescribed Limit**" means 10% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of passing of this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered (excluding any treasury shares and subsidiary holdings) that may be held by the Company from time to time;

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined herein); and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last 5 Market Days on which the Shares are transacted on Catalist or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the Offer Date pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs after the relevant 5 Market Days period;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

"**Offer Date**" means the date on which the Company makes an offer for a Share Buy-back, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note (vi)]

ANY OTHER BUSINESS

11. To transact any other business which may properly be transacted at an annual general meeting.

Notice of Annual General Meeting (Cont'd)

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE IS HEREBY GIVEN THAT, the Company's Share Transfer Book and Register of Members will be closed from **5:00 p.m. (Singapore Time) on 15 May 2018** for the purpose of determining Shareholders' entitlements to the proposed final dividend of 0.34 Singapore cent per share for the financial year ended 31 December 2017 ("**Final Dividend**").

Duly completed and stamped registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, up to 5:00 p.m. (Singapore Time) on 15 May 2018 will be registered to determine Shareholders' entitlements to the Final Dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5:00 p.m. on 15 May 2018 will be entitled to the Final Dividend.

The payment of the proposed Final Dividend, if approved by the Shareholders at the Annual General Meeting of the Company to be held on 27 April 2018, will be paid on 29 June 2018.

By Order of the Board

Sin Chee Mei and Koo Wei Jia
Company Secretaries

Singapore, 12 April 2018

Explanatory Notes:

(i) **Ordinary Resolution 3** - Mr. Chin Mui Hiong will, upon re-election as a Director of the Company, remain as the Executive Chairman of the Company. He is considered an Executive and Non-independent Director. Detailed information on Mr. Chin Mui Hiong can be found under the "Board of Directors" section in the Company's Annual Report.

Ordinary Resolution 4 - Mr. Yau Thiam Hwa will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and a member of the Remuneration Committee. He is considered to be independent pursuant to Rule 704(7) of the Catalist Rules. There are no relationships including immediate family relationships between Mr. Yau Thiam Hwa and the other Directors, the Company or its 10% shareholders. Detailed information on Mr. Yau Thiam Hwa can be found under the "Board of Directors" section in the Company's Annual Report.

(ii) **Ordinary Resolution 7** - The resolution, if passed, will empower the Directors of the Company to allot and issue Shares in the capital of the Company and/or Instruments (as defined above), up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which not exceeding 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) may be issued other than on a pro-rata basis to existing shareholders. This authority will, unless revoked or varied at a general meeting, expire at the next annual general meeting of the Company or by the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

(iii) **Ordinary Resolution 8** - The resolution, if passed, will empower the Directors, to allot and issue ordinary Shares pursuant to the Advancer Global Limited Scrip Dividend Scheme ("**Scheme**") should the Company decide to apply the Scheme to any dividend declared by the Company (including the final one-tier tax exempt dividend of 0.34 Singapore cent per ordinary share for the financial year ended 31 December 2017, if approved by the Shareholders) from the date of this Annual General Meeting until the date of the next annual general meeting of the Company.

(iv) **Ordinary Resolution 9** - The resolution, if passed, will empower the Directors of the Company to offer and grant options, and to allot and issue new Shares in the capital of the Company, pursuant to the Advancer Global ESOS as may be modified by the Remuneration Committee from time to time, provided that the aggregate number of shares to be allotted and issued pursuant to the Advancer Global ESOS shall not exceed 15% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.

Notice of Annual General Meeting (Cont'd)

(v) **Ordinary Resolution 10** - The resolution, if passed, will empower the Directors of the Company to offer and grant awards, and to allot and issue new Shares in the capital of the Company, pursuant to the Advancer Global PSP as may be modified by the Remuneration Committee from time to time, provided that the aggregate number of Shares to be allotted and issued pursuant to the Advancer Global PSP shall not exceed 15% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.

(vi) **Ordinary Resolution 11** - The resolution, if passed, will empower the Directors of the Company to make purchases or otherwise acquire the Company's issued Shares from time to time subject to and in accordance with the guidelines set out in the Letter to Shareholders dated 12 April 2018. The authority will expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier, unless previously revoked or waived at a general meeting.

Notes:

1. A member who is not a Relevant Intermediary entitled to attend and vote at a meeting is entitled to appoint not more than 2 proxies to attend and vote on his/her behalf.

2. A proxy need not be a member of the Company.

3. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. The instrument appointing a proxy or proxies must be executed under common seal or under the hand of its duly authorised officer or attorney.

4. A member who is a Relevant Intermediary is entitled to appoint 2 or more proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. "Relevant Intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50 of Singapore.

5. Where a member appoints more than 1 proxy, the number and class of Shares to be represented by each proxy must be stated. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternated to the first named.

6. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 135 Jurong Gateway Road, #05-317 Singapore 600135, not less than 72 hours before the time appointed for the holding of the Annual General Meeting.

Personal data privacy:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) and/or representative(s) appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This notice has been prepared by 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 notice.

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

The contact person for the Sponsor is Mr. Ong Hwee Li (Tel: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.

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ADVANCER GLOBAL LIMITED

(Co. Reg. No. 201602681W)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see Note 3 for the definition of ("**relevant intermediary**").
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ________________________ (Name), ____________________ (NRIC/Passport/Co. Reg. No.) of

____ (Address) being

a member/members of ADVANCER GLOBAL LIMITED, (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or (delete as appropriate):

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy, to attend and vote for me/us on my/our behalf, by poll, at the Annual General Meeting ("**AGM**") of the Company to be held at Raffles Country Club, the Albatross Room, Level 2, 450 Jalan Ahmad Ibrahim, Singapore 639932 on 27 April 2018 at 10:00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for and against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any item arising not summarized below, the proxy/proxies will vote or abstain from voting at his/their discretion.

No.	Resolutions relating to:	For	Against
1.	Adoption of Directors' Statement, Audited Financial Statements for the financial year ended 31 December 2017 together with the Auditors' Report		
2.	Declaration of a final one-tier tax exempt dividend of 0.34 Singapore cent per ordinary share		
3.	Re-election of Mr. Chin Mui Hiong as Director		
4.	Re-election of Mr. Yau Thiam Hwa as Director		
5.	Approval of Directors' fees of S$114,000 for the financial year ending 31 December 2018, payable quarterly in arrears		
6.	Re-appointment of Mazars LLP as auditors and authority to fix their remuneration		
7.	Authority to allot and issue shares and convertible securities		
8.	Authority to allot and issue shares under Advancer Global Limited Scrip Dividend Scheme		
9.	Authority to allot and issue shares under Advancer Global Employee Share Option Scheme		
10.	Authority to allot and issue shares under Advancer Global Performance Share Plan		
11.	Proposed renewal of Share Buy-back Mandate		

NOTES: If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes "For" or "Against" for each resolution.

Dated this ________ day of ________________ 2018

Total Number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Member	

____
Signature(s) of Member(s)/
Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
3. Pursuant to Section 181 of the Companies Act, Cap. 50 of Singapore, any member who is a relevant intermediary is entitled to appoint two or more proxies to attend and vote at the Annual General Meeting. Relevant intermediary is either:
   (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
   (b) a capital markets services license holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or
   (c) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.
4. Where a Member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
5. The instrument appointing a proxy or proxies, duly executed, must be deposited at the Registered Office of the Company at 135 Jurong Gateway Road, #05-317 Singapore 600135, not less than seventy-two (72) hours before the time appointed for the holding of the Annual General Meeting of the Company.
6. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the letter or the power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Annual General Meeting.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the members, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 April 2018.

Advancer Global 前进集团

ADVANCER GLOBAL LIMITED
(Company Registration No.: 201602681W)

Block 135 Jurong Gateway Road #05-317, Singapore 600135
T: (65) 6665-3855 **F**: (65) 6665-0969

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