



ADVANCER GLOBAL LIMITED

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

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- (1) **PROPOSED SHARE SUBSCRIPTION OF 65,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT S\$0.34 FOR EACH SUBSCRIPTION SHARE; AND**
 - (2) **POTENTIAL JOINT VENTURE WITH FULLCAST HOLDINGS CO., LTD.**
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The Board of Directors of the Company refers to the Company's announcement of 11 May 2018 (the "Announcement"). All capitalised terms used herein that are not otherwise defined have the meanings ascribed to them in the Announcements. With reference to the term "Potential Placement" in the 11 May 2018 announcement, the Company has amended the term to "Proposed Subscription" (defined herein) to be aligned with the share subscription agreement entered between the Company and Fullcast Holdings Co., Ltd.

1. INTRODUCTION

- 1.1 The Board wishes to announce that the Company had on 22 June 2018 entered into a share subscription agreement ("**Share Subscription Agreement**") with Fullcast Holdings Co., Ltd. ("**Fullcast**"), pursuant to which 65,000,000 new ordinary shares in the capital of the Company (the "**Subscription Shares**") will be allotted and issued to Fullcast at the subscription price of approximately S\$0.34 ("**Subscription Price**") for each Subscription Share (the "**Proposed Subscription**").
- 1.2 The Subscription Shares represent approximately 35.01% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company ("**Shares**") as at the date of this announcement. Following the successful allotment and issuance of the Subscription Shares, the Subscription Shares will represent approximately 25.19% of the enlarged issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company with the assumption that (i) all of the warrants issued by the Company on 17 May 2017 ("**Warrants**") have been converted, and (ii) the options issued as at the date of this announcement under the Employee Share Option Scheme (approved and adopted by the Shareholders on 6 June 2015) ("**Employee Share Options**") have been converted but excluding the Shares to be issued in connection with the scrip dividend scheme the details of which were announced by the Company on 1 March 2018 ("**Scrip Dividend**").

The Board also wishes to inform that pursuant to the terms of the Share Subscription Agreement, the Company and Fullcast have also on 22 June 2018 entered into an agreement for a strategic alliance between both parties ("**Basic Agreement**") to, *inter alia*, discuss specific details relating to the establishment and operation of a joint venture company in Japan, in the near future, to provide foreign labour staffing and employment services in Japan ("**Proposed JV**"). The establishment of the Proposed JV is conditional upon, *inter alia*, (i) the Company and Fullcast agreeing to the terms of a joint venture agreement ("**JV Agreement**"), and (ii) the obtaining of the relevant approvals relating to the Proposed JV.

2. RATIONALE FOR THE PROPOSED SUBSCRIPTION AND INFORMATION ON FULLCAST

2.1 Rationale for the Proposed Subscription

The Company considers the Proposed Subscription to be in the interests of the Company as the Proposed Subscription will result in an injection of funds to, *inter alia*, uplift the value of the Company and strengthen the financial position and reduce bank leverage of the Group by increasing the Group's capital base significantly and improving its cash flow. Moreover, given that the Subscription Shares are proposed to be issued to Fullcast at a 10% premium to the one-month average closing price of the Shares prior to the Announcement (on 11 May 2018), this corporate action should result in a positive impact on the share price and enterprise value of the Company.

The Proposed Subscription also represents an opportunity for Company to expand its employment business in Japan through the strategic partnership with, Fullcast Holdings Co., Ltd., a Japan listed company who has an in-depth knowledge in providing manpower solution to diverse base of customers.

2.2 Information on Fullcast Holdings Co Ltd

Fullcast is incorporated in Japan and is listed on the first section of the Tokyo Stock Exchange. Fullcast, through its subsidiaries, provides a range of human resource services to companies in Japan. It has 3 main business segments that specialised in Short-term Operational Support, Sales Support and Security and Others. The Short-term Operational Support segment is engaged in the provision of short-term and events-related human resource services. The Sales Support is engaged in call center operations. The Security and Others segment is engaged in the security guard business for public facilities and general corporations.

Fullcast was introduced to the Company by SAC Capital Private Limited. Fullcast is investing in the Company for investment purposes and is not an associate (including business relationships) of the Company, its subsidiaries, its Directors and substantial shareholders. Fullcast does not fall into the categories as specified under Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Catalist Rules").

3. SHARE SUBSCRIPTION AGREEMENT

3.1 Subscription Shares

The Subscription Shares shall be issued as fully paid Shares, free from all and any charges, liens, encumbrances and shall rank *pari passu* in all respects with and shall carry all rights similar to the existing Shares as at the date of allotment and issue of the Subscription Shares except that they will not rank for, including, without limitation, any dividends, rights, allotments or other distributions for which the date for determining entitlements to such dividends, rights, allotments or other distribution falls on or before the date of allotment and issue of the Subscription Shares.

3.2 Subscription Price

The Subscription Price of approximately S\$0.34 per Subscription Share is derived by adding a premium of approximately 10.00% to the one-month average closing price of the Shares on the Catalist prior to 11 May 2018, being the date of the memorandum of understanding entered into between the Company and Fullcast in connection with the Proposed Subscription. The Subscription Price was arrived at after arm's length negotiations between the Company and Fullcast and on a willing buyer willing seller basis.

The Subscription Price represents a premium of approximately 14.32% to the volume weighted average price (“**VWAP**”) of S\$0.2974 per Share for trades done on the Catalist of the SGX-ST on 21 June 2018, being the last full market day which the Shares were traded preceding the date and up to the time the Share Subscription Agreement was signed.

3.3 Board Seat

Upon completion of the subscription of all the Subscription Shares, Fullcast shall be entitled to nominate one (1) person for appointment as a non-executive director (“**Nominee Director**”) to the board of directors of the Company.

Subject to the approval of the Nominating Committee of the Company, the Board of Directors and the Company’s continuing sponsor and compliance with all applicable laws and regulations (including without limitation the Companies Act (Cap. 50) of Singapore, the Catalist Rules and the Code of Corporate Governance 2012), the Nominee Director nominated by Fullcast shall be appointed as a director of the Company within one (1) month from the later of the Completion Date (being 31 August 2018) or the date on which the Company has received the nomination of the Nominee Director from Fullcast.

3.4 Conditions Precedent

The Completion of the Proposed Subscription is conditional upon, *inter alia*, the following condition(s) having been fulfilled (or waived in writing, in whole or in part):

- (a) the Company’s and Fullcast’s respective warranties under the Share Subscription Agreement being complied with, true, complete, and accurate in all respects;
- (b) there not having been at any time prior to or on Completion the occurrence of any of the following events:
 - (i) termination of substantially all or part of the business of the Company, by resolution of the general meeting of its shareholders or otherwise;
 - (ii) attachment, sequestration, execution or seizure of substantially all or part of the assets of the Company; or
 - (iii) suspension or withdrawal of the rights and privileges of any the Company, which are material in the conduct of its present business by any authority or regulator;
- (c) none of the following having occurred:
 - (i) any resolution passed or court order made for the winding up of the Company;
 - (ii) the appointment of a liquidator, receiver or judicial manager in respect of the Company or all or any assets of the Company;
 - (iii) the entry by the Company into any arrangement or composition for the benefit of its creditors;
 - (iv) the Company being unable to pay its debts as and when they fall due;
 - (v) cessation of business by the Company; or
 - (vi) any distress, attachment or other legal process levied, enforced or sued out on or against the Company’s real property;

- (d) all approvals and consents as may be necessary from the Company and any third party, governmental or regulatory body or relevant competent authority having jurisdiction over the transactions contemplated under the Share Subscription Agreement or to the entry into and completion of the Share Subscription Agreement by the Company and Fullcast, being granted or obtained, and being in full force and effect and not having been withdrawn, suspended, amended or revoked, and if such consents or approvals are granted or obtained subject to any conditions, and where such condition(s) affect either the Company or Fullcast, such condition(s) being acceptable to the party concerned and if such condition(s) are required to be fulfilled before completion of the Proposed Subscription, such condition(s) being fulfilled before such completion;
- (e) receipt of all regulatory approvals and shareholders' approvals of the Company and Fullcast in respect of the matters contemplated under Share Subscription Agreement and the Basic Agreement if they are required by laws or regulations (including without limitation the Catalist Rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"));
- (f) receipt of and completion of any formalities required by SGX-ST and the Catalist Rules (as amended, supplemented or modified from time to time) in connection with the matters contemplated under the Share Subscription Agreement and the Basic Agreement;
- (g) the execution and performance of the Share Subscription Agreement by the Company and Fullcast not being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any relevant statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority; and
- (h) the execution by the Company and Fullcast of the Basic Agreement in the form and substance reasonably satisfactory to Fullcast.

4. USE OF PROCEEDS

4.1 Based on the Subscription Price, the gross proceeds for the Propose Subscription is approximately S\$22.15 million. The estimated net proceeds will be approximately S\$21.78 million, after deducting all costs and expenses payable in relation to the Proposed Subscription ("**Net Proceeds**").

4.2 The Company intends to use the Net Proceeds as follows:

Use of Proceeds	Estimated Allocation of Proceeds	Percentage of Net
Expansion of business operations	75%	
General corporate and working capital purpose of the Group, mainly to support administrative and operational expenses	25%	
Total	100%	

Prior to deployment, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status update on

the use of the Net Proceeds in the Company's half and full-year financial statements issued under Rule 705 and its annual report(s). Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been utilised in the announcements and the status update. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

5. APPROVALS

- 5.1 The Company intends to convene an extraordinary general meeting ("**EGM**") to seek the approval of the shareholders of the Company ("**Shareholders**") for the Proposed Subscription. Pursuant to Rule 803 of the Catalist Rules, as the Proposed Subscription will result in an issue of more than 15% of the voting shares in the Company, Shareholders' approval will be sought at the EGM. Further, Section 161 of the Companies Act, the constitution of the Company and Rules 805 of the Listing Manual provide that an issuer must obtain the prior approval of Shareholders in general meeting for the issue of Shares, unless such Shares are issued under a general mandate obtained from shareholders in general meeting. As the Company will not be issuing the Subscription Shares under the general share issue mandate approved by the Shareholders on 27 April 2018, a specific Shareholders' approval will be sought at the EGM.
- 5.2 The Company will be making an application to the SGX-ST, through the Sponsor, for the listing of and quotation for the Subscription Shares on Catalist in due course. An appropriate announcement will be made in due course when the Company receives the listing and quotation notice for the Subscription Shares from the SGX-ST.

6. BASIC AGREEMENT

6.1 Formation of a Strategic Alliance Committee ("**SAC**")

Pursuant to the Basic Agreement, the Company and Fullcast agree to form the SAC to (i) oversee and coordinate the activities of the Company and Fullcast in connection with the specific details of the alliance between the Company and Fullcast and (ii) determine the details of establishment and operation of the Proposed JV to provide foreign labour staffing and employment services in Japan. The SAC shall continue till the date of incorporation of the Proposed JV. The SAC will comprise equal representatives from the Company and Fullcast.

6.2 Formation of the Proposed JV

The Proposed JV shall be incorporated in accordance with the Japanese Companies Act and be governed by Japanese Law.

As there are currently restrictions under the laws of Japan with regard to the employment of foreign labour in Japan, the Company and Fullcast will only proceed with the Proposed JV after the SAC has determined that the scope of areas (including without limitation reference to geography, activity or industry) in which the employment or utilisation of foreign labour in Japan is permitted (with or without conditions) has been expanded to be sufficiently wide and commercially acceptable to both parties ("**Business Condition**").

The establishment of the Proposed JV is further conditional upon (i) the Company and Fullcast agreeing to the terms of a joint venture agreement ("**JV Agreement**"), and (ii) obtaining the relevant approvals relating to the Proposed JV.

In the event that the Business Condition is not satisfied, or the JV Agreement is not entered into, by 31 December 2019 (or such other later date as the parties may agree), the Basic Agreement shall lapse.

6.3 Roles of Parties in the Proposed JV

Initial roles and responsibilities of the Company and Fullcast in respect of the Proposed JV are as follows:

The Company will be responsible for:

- (a) Arranging the sourcing and management (in sourcing countries) of the relocation of foreign workers to Japan for the purpose of providing labour (the “**Sourcing**”);
- (b) The procurement of training of the relevant workers in the sourcing countries;
- (c) Liaising with local partners / professional parties to ensure that the Sourcing complies with the applicable laws and regulations in the sourcing countries; and
- (d) Advising and providing support on the Sourcing.

Fullcast will be responsible for:

- (a) The sales activities and development of clientele in Japan;
- (b) The training of foreign workers in Japan;
- (c) Dealing with the laws, regulations of Japan and the necessary procedures; and
- (d) The overall management and administration (including the financial affairs) of the Proposed JV

7. **SHAREHOLDING EFFECTS**

The Subscription Shares expressed as a percentage compared to the issued Shares after the completion of the Proposed Subscription is as follows:

	Share Capital as at the date of this announcement ⁽³⁾				Share Capital after the Proposed Subscription ⁽³⁾			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Desmond Chin ⁽¹⁾	37,138,249	20.00	-	-	37,138,249	14.39	-	-
Gary Chin ⁽¹⁾	30,572,337	16.47	-	-	30,572,337	11.85	-	-
Ong Eng Tiang	19,753,682	10.64	-	-	19,753,682	7.66	-	-
Loy Soo Chew	-	-	-	-	-	-	-	-
Yau Thiam Hwa	-	-	-	-	-	-	-	-
Vincent Leow	-	-	-	-	-	-	-	-
Substantial Shareholders								
Francis Chin ⁽¹⁾	37,555,418	20.23	-	-	37,555,418	14.55	-	-
MES Group Holdings Pte Ltd ⁽²⁾	12,500,000	6.73	-	-	12,500,000	4.84	-	-

Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed ⁽²⁾	1,502,500	0.81	12,500,000	6.73	1,502,500	0.58	12,500,000	4.84
Fullcast	-	-	-	-	65,000,000	25.19	-	-

Notes:

- (1) Mr. Desmond Chin, Mr. Gary Chin and Mr. Francis Chin are brothers.
- (2) Mr. Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed is deemed interested in the shares held by MES Group Holdings Pte. Ltd. (“MES”) through his 100% interest in MES.
- (3) As at the date of this announcement, the total number of issued Shares of the Company, assuming full conversion of the Warrants and the Employee Share Options and the issue of the Subscription Shares (but excluding the Shares to be issued in connection with the Scrip Dividend) is 258,025,589 Shares. As at the date of this announcement, there are Warrants and Employee Share Options which are convertible into 6,250,000 Shares and 1,102,500 Shares respectively.

8. FINANCIAL EFFECTS

The pro forma financial effects of the Proposed Subscription, based on the audited consolidated financial statements of the Company and the Group for the financial year ended 31 December 2017, are set out below. The pro forma financial effects are only presented for illustration purposes and are not intended to reflect the actual future financial situation of the Company or the Group after the completion of the Proposed Subscription.

Net Tangible Assets

Assuming that (i) the Proposed Subscription was completed on 31 December 2017 and (ii) excluding any allotment and issue of Shares that may arise from the Warrants, Employee Share Options and Scrip Dividend, the effect on the net asset value (“NAV”) per Share of the Group as at 31 December 2017 will be as follows:

	Before the Proposed Subscription	After the Proposed Subscription
NAV (S\$)	21,621,000	43,401,756
Number of Shares	185,672,589	250,672,589
NAV per Share (Singapore cents) ⁽¹⁾	11.64	17.31

Earnings per Share

Assuming that (i) the Proposed Subscription and placement of 12.5 million new ordinary shares (refer to Company’s announcements on 2 May 2017, 10 May 2017 and 17 May 2017) were completed on 1 January 2017 and (ii) excluding any allotment and issue of Shares that may arise from the Warrants, Employee Share Options and Scrip Dividend, the effect on the earnings per Share (“EPS”) of the Group for the financial year ended 31 December 2017 will be as follows:

	Before the Proposed Subscription	After the Proposed Subscription
Profit after tax (S\$)	3,056,000	3,056,000
Weighted average number of Shares	185,672,589	250,672,589
EPS (Singapore cents) ⁽²⁾	1.65	1.22

Notes:

(1) NAV per Share is computed based on net assets attributable to owners of the Company.

(2) EPS is computed based on profit after tax attributable to owners of the Company.

9. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that:

- (a) after taking into consideration the Group's present banking facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the above, the Company has decided to undertake the Proposed Subscription for the reasons set out in paragraph 2.1 above; and
- (b) after taking into consideration the present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements

10. CIRCULAR TO SHAREHOLDERS

A circular, together with a notice of EGM to be convened for the purpose of obtaining Shareholders' approval for the Proposed Subscription will be despatched to Shareholders in due course.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement:

- (a) none of the Directors and their associates has any interest, direct or indirect, in the Proposed Subscription or the Proposed JV;
- (b) as far as the Directors are aware, none of the substantial shareholders of the Company and their associates has any interest, direct or indirect, in the Proposed Subscription or the Proposed JV; and
- (c) as far as the Directors are aware, none of the Directors or substantial shareholders of the Company has any connection (including business relationship) with Fullcast or its Directors or substantial shareholders.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Share Subscription Agreement and Basic Agreement are available for inspection during normal business hours at the registered office of the Company at 135 Jurong Gateway Road, #05-317, Singapore 600135 for a period of three (3) months from the date of this announcement.

Shareholders are advised to exercise caution in their dealings in the Shares. There is no certainty or assurance as at the date of this announcement that the Proposed Subscription will be completed and the Proposed JV will be established.

The Company will make the necessary announcements as and when there are further material developments on the Proposed Subscription or the Proposed JV. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board of Directors

Chin Mei Yang
Chief Executive Officer and Executive Director
22 June 2018

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

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

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