



ADVANCER GLOBAL LIMITED

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

JOINT VENTURE WITH FULLCAST HOLDINGS CO., LTD

The Board of Directors of the Company refers to the Company's announcement of 22 June 2018 (the "Announcement"). All capitalised terms used herein that are not otherwise defined have the meanings ascribed to them in the Announcement.

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**" or "**Director**") of Advancer Global Limited (the "**Company**", and together with its subsidiaries and associate companies, collectively the "**Group**") wishes to announce that Advancer Nation Pte. Ltd. ("**ANPL**"), an indirect wholly-owned subsidiary of the Company held through Advancer Global Manpower Pte. Ltd., has on 9 August 2019, entered into a joint venture agreement ("**JV Agreement**") with Fullcast Holdings Co., Ltd ("**Fullcast**") to incorporate a new joint venture company in Japan providing, *inter alia*, services in respect of staffing and dispatching of foreign labour in Japan ("**Business**"). A summary of the salient terms of the JV Agreement are set out in paragraph 2 of this announcement.
- 1.2 Shareholders should refer to the Announcement for further details of Fullcast.
- 1.3 For the purposes of this announcement, an exchange rate of 1 Japanese Yen to 0.013 Singapore dollar is assumed.

2. SAILENT DETAILS OF THE JOINT VENTURE

2.1 Joint Venture Company

In accordance to the terms of the JV Agreement, ANPL and Fullcast will incorporate a joint venture company, Fullcast International Co., Ltd ("**Joint Venture Company**").

The Joint Venture Company will have a registered share capital of 80,000,000 Japanese Yen ("**JPY**") (approximately S\$1,040,000), comprising 1,600 ordinary shares. Fullcast and ANPL (each a "**Party**" and collectively, the "**Parties**") have agreed to contribute in the following proportions to the Joint Venture Company:

- (a) Fullcast will subscribe for 51% of the equity interest in the Joint Venture Company, comprising 816 ordinary shares, for a cash consideration of JPY40,800,000 (approximately S\$530,400); and
- (b) ANPL will subscribe for 49% of the equity interest in the Joint Venture Company, comprising 784 ordinary shares, for a cash consideration of JPY39,200,000 (approximately S\$509,600) ("**ANPL's Consideration**").

ANPL's Consideration will be satisfied in full through the net proceeds (the "**Net Subscription Proceeds**") from the share subscription of 65,000,000 new ordinary shares in the capital of the Company by Fullcast Holdings Co., Ltd on 31 August 2018 (the "**Share Subscription**"), and is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 31 December 2019.

Following the subscription of 49% of the equity interest in the Joint Venture Company by the Group, the Joint Venture Company will be an associate company of the Group.

2.2 Roles and responsibilities pursuant to the JV Agreement

The roles and responsibilities of ANPL and Fullcast in respect of JV Group are listed as follows:

- (a) ANPL will be responsible for the following obligations pursuant to the JV Agreement:
- (i) introducing foreign manpower agencies within its existing network to the Joint Venture Company and its subsidiaries ("**JV Group**") and facilitating and assisting the JV Group with the arrangement of sourcing of the foreign workers to Japan
 - (ii) liaising with local partners/professional parties on the regulatory aspects of the sourcing in the sourcing countries;
 - (iii) assisting to finalise the agreement or arrangement between the foreign manpower agencies and the JV Group in terms satisfactory to the JV Group; and
 - (iv) providing advice and support on the sourcing and training of foreign labour from the foreign manpower agencies.

For the avoidance of doubt, the Group is currently not engaged in the business of staffing and dispatching of foreign labour in Japan.

- (b) Fullcast will be responsible for the following pursuant to the JV Agreement:
- (i) sharing of the network and client database of Fullcast and its associates ("**Fullcast Group**") with the JV Group;
 - (ii) providing facilities and infrastructure;
 - (iii) undertaking the sales, marketing and business development related work (including without limitation the provision of Fullcast Group's sales representatives and sales channel around the country to market the Business);
 - (iv) seconding and/or provision of senior/key executives or such other staff from Fullcast Group to assist with the operations and implementation of the Business and training of the foreign labour (to the extent that such training is required in accordance with Japanese law and regulation);
 - (v) providing advisory and consultancy related services and administrative support for the sales, financial, operation and regulatory aspects of the Business in Japan.

For the avoidance of doubt, the Fullcast Group is currently not engaged in the business of staffing and dispatching of foreign labour in Japan.

2.3 Reserved Matters

Certain matters require unanimous approval of all shareholders of the Joint Venture Company. These matters include, but are not limited to (a) any material change in the nature and/or scope of the business of the Joint Venture Company; (b) the closing of any business operation or disposal of or dilution of the Joint Venture Company's interest in any of its subsidiaries for the time being; (c) the passing of any resolution for the dissolution, liquidation, or winding-up of the Joint Venture Company; or (d) any amendment to the constitution of the Joint Venture Company.

2.4 Board Seats

Pursuant to the JV Agreement, the Company, through ANPL, is entitled to nominate up to two (2) of the five (5) directors on the Joint Venture Company's board of directors.

It is currently contemplated that the board of directors of the Joint Venture Company ("**JV Board**") will initially comprise the following persons:

<u>Name</u>	<u>Representative of</u>
Mr. Kazuki Sakamaki	Fullcast Group
Mr. Nobuhiro Oda	Fullcast Group
Mr. Kensuke Murata	Fullcast Group
Mr. Chin Mui Hiong	Group
Mr. Tan Aik Lye Brian	Group

Mr. Chin Mui Hiong is the Executive Chairman of the Group and Mr. Tan Aik Lye Brian is the Director of Human Resource and Corporate Affairs of the Group.

2.5 Non-compete undertaking

Pursuant to the terms of the JV Agreement, each of ANPL and Fullcast has undertaken that, *inter alia*, so long as it remains a shareholder of the Joint Venture Company and for a period of one year from the date it ceases to be a shareholder of the Joint Venture Company, neither it nor any member of its subsidiaries will carry on or be engaged in any business (or the setting up of any such business) competing with the business of the JV Group.

Notwithstanding the above:

- (a) either of the Group or the Fullcast Group may provide in Japan services in respect of staffing and dispatching of foreign labour sourced from the Excluded Source Countries (defined below) provided that such businesses shall not compete with Joint Venture Company for the same clients, jobs or projects in which the Joint Venture Company is capable of fulfilling or servicing;
- (b) either of the Group or the Fullcast Group may provide in Japan services in respect of staffing and dispatching of foreign labour sourced from the countries other than the Excluded Source Countries if the foreign labours which ANPL and its associates arranged do not meet the clients' requirements, including the price, skills and lead time provided that reasonable notice of such requirements has been given to Advancer; and
- (c) in the event that ANPL proposes to the JV Board that the Joint Venture Company should engage in the provision of foreign labour to a particular market sector or industry within Japan (including without limitation sub-market sectors differentiated by price or skill sets) ("**Proposed Business Scope**") and the JV Board declines to undertake the Proposed Business Scope or the JV Company is unable to or does not undertake the Proposed Business Scope in a timely fashion, ANPL and its associates may provide in Japan services in respect of staffing and dispatching of foreign labour in the Proposed Business Scope.

“Excluded Source Countries” refer to countries (other than Philippines, Indonesia, Myanmar, Vietnam, China, Cambodia and Thailand) in respect of which ANPL and its associates are unable to facilitate and assist with the arrangement of sourcing and training of foreign workers for Japan.

2.6 **Compulsory Transfer**

Pursuant to the terms of the JV Agreement, if any of the Compulsory Transfer Events (defined below) occur in respect of Fullcast or ANPL (**“Defaulting Shareholder”**), the other shareholder (**“Non-Defaulting Shareholder”**) may require the Defaulting Shareholder to buy all of the shares in the Joint Venture Company then held by the Non-Defaulting Shareholder from the Non-Defaulting Shareholder at the fair value or sell all of the shares in the Joint Venture Company then held by the Defaulting Shareholder to the Non-Defaulting Shareholder at the fair value (**“Compulsory Transfer”**).

“Compulsory Transfer Events” refer to any of the following:

- (a) a shareholder becomes insolvent or is unable to pay its debts within the meaning of the insolvency legislation applicable to that Party;
- (b) a process has been instituted that could lead to a shareholder being dissolved and its assets distributed among the shareholder’s creditors, shareholders or other contributors;
- (c) any substantial change of shareholding interest in a shareholder; or
- (d) a shareholder commits a material or persistent breach of the JV Agreement which if capable of remedy has not been so remedied within thirty (30) calendar days of the other shareholder requiring such remedy.

The exercise and completion of the Compulsory Transfer is subject to and conditional upon the compliance of with the applicable laws and regulations of the shareholders (including without limitation, the Singapore Exchange Securities Trading Limited’s Listing Manual Section B: the Rules of Catalist (**“Catalist Rules”**)).

The fair value of the shares in the Joint Venture Company will be determined by an independent firm of chartered valuers of repute with international experience mutually acceptable to the Fullcast and ANPL. If Fullcast and ANPL are unable to agree on the appointment of the valuer, each of them shall then be entitled to appoint an independent firm of chartered valuers of repute with international experience, and in such event, the fair value shall be the average of the fair values determined by both valuers.

2.7 **Dividend Policy**

The Joint Venture Company will distribute dividends of such amount as may be recommended by the JV Board, provided that before any declaration or payment of dividend, the Joint Venture Company has: (a) applied such surplus to repay any outstanding shareholders’ loans (if any) on a pro rata basis in full; and (b) set aside such amount of funds as the JV Board thinks fit for the Joint Venture Company’s capital expenditure, working capital and/or requirements, and such other use(s) for carrying out the Business for the following financial year.

3. **RATIONALE FOR THE JOINT VENTURE**

The joint venture represents an opportunity for the Company to expand its employment business in Japan through the strategic partnership with Fullcast, which has an in-depth knowledge in providing manpower solution to diverse base of customers in Japan.

4. INTERESTED PERSON TRANSACTION

4.1 The joint venture as an Interested Person Transaction

Fullcast is a controlling shareholder of the Company. Accordingly, Fullcast falls within the definition of “interested person” under Chapter 9 of the Catalist Rules, and the entry into the JV Agreement and incorporation of the Joint Venture Company is an interested person transaction under Chapter 9 of the Catalist Rules.

The ANPL Consideration represents 1.18% of the latest audited net tangible assets of the Group amounting to S\$43,098,000 as at 31 December 2018.

4.2 Exemption under Rule 916(2) of the Catalist Rules

Pursuant to Rule 916(2) of the Catalist Rules, approval of shareholders of the Company is not required for an investment in a joint venture with an interested person if:

- (a) the risks and rewards are in proportion to the equity of each joint venture partner;
- (b) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and
- (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.

The audit committee of the Company (“**AC**”) has reviewed the terms of the Joint Venture and is of the view that:

- (a) the risks and rewards of the Joint Venture are in proportion to the equity of each joint venture partner; and
- (b) the terms of the Joint Venture are not prejudicial to the interests of the Company and its minority shareholders.

Fullcast does not have any existing equity interests in the Joint Venture Company, prior to the participation by ANPL.

Mr Takehito Hirano, the non-executive director of the Company nominated by Fullcast, is not a member of the AC and has recused himself from all deliberations and determinations of the Board of the Company in respect of the Joint Venture.

As the Joint Venture satisfies the conditions set out in Rule 916(2) of the Catalist Rules, approval of shareholders of the Company will not be required pursuant to Rule 906 of the Catalist Rules.

4.3 Total Value of all the Interested Person Transactions

As at the date of this announcement, save for the investment into the Joint Venture Company, the Company has not entered into any interested person transactions of more than S\$100,000 as defined in Chapter 9 of the Catalist Rules in the current financial year ending 31 December 2019.

5. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

As the relative figures computed under Catalist Rule 1006 are less than 5%, the investment by the Company in the Joint Venture Company constitutes a non-disclosable transaction as defined in Chapter 10 of the Listing Manual.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company or their respective associates has any interest, directly or indirectly, in the Joint Venture other than through their respective interest (if any) in the Company.

By Order of the Board of Directors

Chin Mei Yang
Chief Executive Officer and Executive Director
9 August 2019

*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**”).*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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