



ADVANCER GLOBAL LIMITED

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

LETTER OF INTENT: PROPOSED SUBSCRIPTION FOR 82% ISSUED AND PAID-UP SHARE CAPITAL OF SRE GLOBAL PTE.LTD.

1. Introduction

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 Global Facility Pte. Ltd. (“**AGF**”), a wholly-owned subsidiary of the Company, had on 24 July 2020 entered into a binding letter of intent (“**LOI**”) with Messrs Tan Kian Hoon, Chng Shih Hian and Tham Mun Keong (collectively the “**Shareholders**”) and SRE Global Pte. Ltd. (“**SRE**”). The LOI outlines the proposal by AGF to subscribe for 615,000 ordinary shares (“**Shares**”) which represent 82% of the total issued and paid-up share capital of SRE, for an aggregate subscription price of S\$615,000 (“**Consideration**”) on the basis of S\$1 per ordinary share (the “**Proposed Subscription**”).

The LOI is subject to certain conditions to be fulfilled, as set out in paragraph 3.2 and there is no certainty or assurance that any definitive agreements in respect of the Proposed Subscription will materialise. The Company will keep shareholders apprised on material developments in respect of the Proposed Subscription.

2. Information on SRE and the Shareholders

The information on SRE and the Shareholders in this paragraph 2 was provided by the SRE and the Shareholders which has been extracted and reproduced herein. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

SRE was incorporated in the Republic of Singapore on 24 December 1984 and formerly known as Suntec Real Estate Consultants Pte. Ltd.. Its principal activity is the provision of property management, valuation and consultancy and property agency services in Asia.

Based on the audited financial statements of SRE for the financial year ended 31 December 2019, SRE recorded a net loss of S\$154,648. The net asset value of SRE as at 31 December 2019 was S\$2,303,220. On 31 December 2019, SRE had undergone a restructuring exercise wherein the issued and paid-up share capital was reduced from S\$1,800,059 to S\$105,000 consisting of 105,000 Shares which are held in equal proportions by the Shareholders. An interim dividend of S\$503,160 was declared for the financial year ending 31 December 2020 prior to the date of LOI.

Mr Tan Kian Hoon, the managing director of SRE, has more than four decades of experience in the real estate industry and was deputy chairman of the Building & Construction Authority. Mr Chng Shih Hian is the senior executive director of SRE and in charge of property valuation, consultancy and asset

management businesses in SRE. Mr Tham Mun Keong is executive director of SRE, specialises in real estate valuation, project development and investment feasibility consultancy. His brother is the director of Newman & Goh Property Consultants Pte Ltd (“**NGPC**”) and Newman & Associates Pte. Ltd.(“**NAPL**”), the Group’s 76%-owned indirect subsidiaries (but is not, for the avoidance of doubt, a director or controlling shareholder of the Company).

Save as disclosed above, the Shareholders are independent and unrelated third parties to the Group, its Directors and controlling shareholders or their respective associates.

3. Information relating to the LOI

3.1 Deposit paid to the Shareholders

The Shareholders and AGF had on 14 January 2020 entered into a non-binding term sheet (“**Term Sheet**”) in respect of the acquisition of 82% of the total issued and paid-up share capital of SRE from the Shareholders. In connection to the Term Sheet, AGF paid the Shareholders a refundable deposit of S\$300,000 (“**Deposit**”) in January 2020 to enable further negotiation on terms and conditions. Should the Proposed Subscription proceed to completion, the Shareholders will procure the part payment of the Consideration to the amount of S\$300,000 (for and on behalf of AGF) on the date of completion of the Subscription.

3.2 Conditions Precedent

The Proposed Subscription is conditional upon, *inter alia*, the followings:

- (a) AGF being satisfied (in its absolute and sole discretion) of the results of the due diligence investigations on SRE;
- (b) AGF being satisfied with the definitive documents relating to the Proposed Subscription (including without limited a share subscription agreement);
- (c) (if required) the approvals from the shareholders of the Company being obtained for the Proposed Subscription;
- (d) completion of an increase in SRE’s issued and paid-up share capital from S\$105,000 to S\$135,000 by way of allotment and issuance of 30,000 new Shares at S\$1.00 per share, on or prior to the completion of Proposed Subscription, in the following proportions:

<u>Name</u>	<u>Number of Shares held (Before allotment)</u>	<u>Shareholding Percentage (Before allotment)</u>	<u>Number of New Shares</u>	<u>Number of Shares held (After allotment)</u>	<u>Shareholding Percentage (After allotment)</u>
Tan Kian Hoon	35,000	33.3	25,000	60,000	44.4
Chng Shih Hian	35,000	33.3	2,500	37,500	27.8
Tham Mun Keong	35,000	33.3	2,500	37,500	27.8
	105,000	100.0	30,000	135,000	100.0

- (e) each of the Shareholders and employee of SRE having entered into employment agreements (in form and substance satisfactory to AGF);
- (f) The net asset value of SRE as at the completion of the Proposed Subscription shall be no less than S\$300,000; and

- (g) The profit before tax of SRE for the period from 1 January 2020 to 30 June 2020 shall be more than S\$10,000.

For the avoidance of doubt, subsequent to the completion of the Proposed Subscription, the shares of SRE will be held by AGF and the Shareholders in the following proportions:

<u>Name</u>	<u>Shareholding Percentage (%)</u>	<u>Number of Shares held</u>
Tan Kian Hoon	8.0	60,000
Chng Shih Hian	5.0	37,500
Tham Mun Keong	5.0	37,500
AGF	82.0	615,000
	<u>100.0</u>	<u>750,000</u>

3.3 Termination

If the Conditions Precedent are not fulfilled within 3 months from the date of LOI, unless otherwise waived or extended by AGF, the LOI shall be terminated automatically and Shareholders shall return the Deposit to AGF within 5 business days immediately thereafter.

4. Rationale for the Proposed Subscription

The Proposed Subscription is in line with the Group's strategy to expend its range of services within its building management business division and aims to achieve synergies between SRE and the Group's current property valuation, property management and property agency services. The Board is of the view that the Proposed Subscription would provide larger skilled workforce and expertise for the Group to tap on and thereby enable it to expand its market share in Singapore.

5. Consideration

The Consideration amounting to S\$615,000 was negotiated on an arm's length basis between AGF and the Shareholders, taking into account SRE's track records, reputation, customer base and in-depth knowledge in management of real estate industry. No independent valuation was commissioned in respect of the Proposed Subscription.

The Consideration is not expected to have any material impact on the net tangible assets per share or earnings per share of the Group for the current financial year ending 31 December 2020.

6. Interests of Directors and Controlling Shareholders

To their knowledge, none of the Directors or controlling shareholders of the Company has any interests, direct or indirect, in the Proposed Subscription, other than through their respective shareholding interests in the Company.

7. Further announcements

The Company will make further announcement(s) as and when there are material developments in relation to the Proposed Subscription.

By Order of the Board of Directors

Chin Mei Yang
Chief Executive Officer and Executive Director
24 July 2020

This announcement has 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.

The contact person for the Sponsor is Mr. David Yeong (Telephone: 65-6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.