



## ADVANCER GLOBAL LIMITED

(Company Registration No. 201602681W)

(Incorporated in the Republic of Singapore)

---

### (1) PROPOSED SUBSCRIPTION FOR 82% ISSUED AND PAID-UP SHARE CAPITAL OF SRE GLOBAL PTE.LTD.

### (2) STATUS OF USE OF NET SUBSCRIPTION PROCEEDS

---

*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the announcement dated 24 July 2020 in relation to the Company's letter of intent for proposed subscription of 82% shares in SRE Global Pte. Ltd ("Announcement").*

The Board of Directors (the "**Board**" or "**Director**") of Advancer Global Limited (the "**Company**" and together with its subsidiaries and associated companies, collectively the "**Group**") wishes to announce that, Advancer Global Facility Pte. Ltd. ("**AGF**"), a wholly-owned subsidiary of the Company, had on 23 September 2020 entered into a subscription agreement ("**Agreement**") with Messrs Tan Kian Hoon, Chng Shih Hian and Tham Mun Keong (collectively the "**Shareholders**") and SRE Global Pte. Ltd. ("**SRE**") 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**").

#### 1. Information relating to the Agreement

The Conditions Precedent outlined in paragraph 3.2 of the Announcement remains applicable except for the Conditions Precedent mentioned in paragraph 3.2(f) which stated that the net asset value of SRE as at the completion of the Proposed Subscription shall be no less than S\$300,000. This Condition Precedent has been amended to read "the net asset value of SRE as at 31 August 2020 shall be no less than S\$300,000".

The Company also wishes to update that the Conditions Precedent mentioned in paragraph 3.2(g) which states that the profit before tax of SRE for the period from 1 January 2020 to 30 June 2020 shall be more than S\$10,000 has been met, with SRE recording a profit before tax of S\$227,571 based on its management accounts for the 6 months ended 30 June 2020.

In addition, the Shareholders and SRE jointly and severally represent and warrant to AGF that each and every warranty set out in the Agreement ("**Warranties**") are true, accurate and not misleading at the date of the Agreement and the Completion Date. The Warranties include but not limited to SRE's share capital, information, financial statements, taxation, records, employment arrangements, intellectual property, assets, compliance, litigation, debts, contracts, and borrowings.

If the Conditions Precedent are not fulfilled by 23 October 2020, unless otherwise waived or extended by AGF, the Agreement shall be terminated automatically and Shareholders shall return the Deposit to AGF within 5 business days immediately thereafter.

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
	100.0	750,000

## **2. Consideration and use of proceeds**

The Consideration amounting to S\$615,000 will be satisfied through payment of (i) S\$300,000 from Shareholders to SRE (for and on behalf of AGF), an amount equivalent to the Deposit, and (ii) S\$315,000 from AGF to SRE in cash on or prior to the date of completion of the Proposed Subscription (“**Completion Date**”).

The Consideration is satisfied in full through the net proceeds (“**Net Subscription Proceeds**”) from the Company’s issue and allotment of 65,000,000 new ordinary shares on 31 August 2018, and is in accordance with the use of proceeds as stated in the Company’s announcement dated 8 August 2018.

The status of utilisation of the Net Subscription Proceeds as at the date of this announcement is as follows:

<b>Use of Proceeds</b>	<b>Amount allocated (S\$’ million)</b>	<b>Amount utilised (S\$’ million)</b>	<b>Balance (S\$’ million)</b>
Expansion of business operations	16.30	(2.10)	14.20
General corporate and working capital purpose of the Group, mainly to support administrative and operational expenses (Note (a))	5.44	(3.73)	1.71
	<u>21.74</u>	<u>(5.83)</u>	<u>15.91</u>

**Note:**

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

	<u>S\$’000</u>
Professional and listing related expenses	612
Administrative expenses –staff cost	308
Administrative expenses- others	36
Purchase of inventory for a subsidiary	170
Repayment of loan incurred by a subsidiary	300
Advances to subsidiaries for operational expenses	2,300
	<u>3,726</u>

The Company will make further announcements, as and when the balance of the Net Subscription Proceeds is materially disbursed.

## **3. Relative Figures Under Chapter 10 of the Catalyst Rules**

The relative figures for the Proposed Subscription computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited (“**Catalist Rules**”), and the Company’s latest announced unaudited consolidated financial statements for the first six-month financial period ended 30 June 2020 (“**HY2020**”), are as follows:

1006	Basis of Calculation	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value <sup>(1)</sup>	Not applicable
(b)	The net profits attributable to the assets acquired <sup>(2)</sup> or disposed of, compared with the group's net profits	8.8% <sup>(3)</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation <sup>(4)</sup> based on the total number of issued shares excluding treasury shares	2.4%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue <sup>(5)</sup>	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets <sup>(6)</sup>	Not applicable

Notes:

- (1) Not applicable to the Proposed Subscription.
- (2) Pursuant to Rule 1002(3) (b) of the Catalist Rules, "net profits" is defined as profits before income tax, minority interests, and extraordinary items.
- (3) SRE will become a subsidiary of AGF and an indirect subsidiary of the Company pursuant to the Proposed Subscription. Accordingly, its financial statements will be consolidated into the Group's financial statements. In determining the relative figures for the Proposed Subscription, the Company has used 100% (instead of 82%) of SRE's net profit of S\$227,571 for HY2020. The net profits of the Group for HY2020 amounted to approximately S\$2,583,000.
- (4) The market capitalization of the Company amounting to S\$25,335,948, is determined by multiplying the number of issued shares, being 251,348,691 shares, by the volume weighted average price of such shares transacted on 22 September 2020 of S\$0.1008 per share (being the last market day preceding the date of the Agreement).
- (5) No equity securities are issued in respect of the Proposed Subscription.
- (6) The Proposed Subscription does not involve a mineral, oil and gas asset.

As the relative figure computed pursuant to Rule 1006(c) exceeds 5% but does not exceed 75%, the Proposed Subscription constitutes a disclosable transaction under Chapter 10 of the Catalist Rules. Accordingly, the Company is not required to seek shareholders' approval for the Proposed Subscription.

#### **4. Financial Effects of the Proposed Subscription**

##### **4.1 Bases and Assumptions**

The proforma financial effects of the Proposed Subscription on the net tangible assets ("NTA") per share and earnings per share ("EPS") of the Group as set out below are purely for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Proposed Subscription.

The financial effects of the Proposed Subscription set out below have been prepared based on the Group's audited consolidated financial statements for FY2019, SRE's audited financial statements for FY2019 (being the latest available audited financial statement of SRE) with the assumption that the following transactions have been completed on 31 December 2019,

- (a) SRE's restructuring exercise wherein (i) its issue and paid-up share capital was reduced from S\$1,800,059 to S\$105,000 consisting of 105,000 Shares; (ii) an interim dividend of S\$503,160 was declared for the financial year ending 31 December 2020 ("**Restructuring Exercise**"), and
- (b) 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 to Shareholders.

#### 4.2 EPS

The proforma financial effects of the Proposed Subscription on the EPS of the Group for FY2019, assuming that the Proposed Subscription had been effected at the beginning of FY2019, are summarized below:

EPS	Before the Proposed Subscription	After the Proposed Subscription
Profits attributable to owners of the Company <sup>(1)</sup> (S\$)	471,000	344,189 <sup>(3)</sup>
Weighted average number of issued shares <sup>(2)</sup>	251,348,691	251,348,691
Basic and diluted EPS (cents)	0.19	0.14

Notes:

- (1) Represents net profits after tax and minority interests.  
(2) Based on the number of ordinary shares issued (excluding treasury shares and subsidiary holdings) as at 31 December 2019.  
(3) SRE recorded a net loss amounting to S\$154,648 for FY2019.

#### 4.3 NTA per share

The proforma financial effects of the Proposed Subscription on the NTA per share of the Group for FY2019, assuming that the Proposed Subscription had been effected as at 31 December 2019, are summarized below:

NTA	Before the Proposed Subscription	After the Proposed Subscription
Consolidated NTA <sup>(1)</sup> (S\$'000)	37,677	37,173
Number of issued shares <sup>(2)</sup>	251,348,691	251,348,691
Consolidated NTA per share (cents)	14.99	14.79

Notes:

- (1) Represents consolidated NTA excluding minority interests, intangible assets and goodwill on consolidation.  
(2) Based on the number of ordinary shares issued (excluding treasury shares and subsidiary holdings) as at 31 December 2019.

### 5. Other Financial Information

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 tangible asset value of SRE as at 31 December 2019 was S\$2,303,220. The net tangible asset value of SRE was reduced to S\$105,000 after Restructuring Exercise.

Based on the management accounts of SRE for the 6 months ended 30 June 2020. SRE recorded a profit after tax of S\$227,813 and net tangible asset value of S\$332,813 as at 30 June 2020.

**6. Details of service contracts of proposed director(s)**

No directors are proposed to be appointed to the Company pursuant to the Proposed Subscription.

**7. Documents for Inspection**

A copy of the Agreement will be made available for inspection at the registered office of the Company at 135 Jurong Gateway Road, #05-317, Singapore 600135 during normal business hours for a period of 3 months from the date of this announcement.

**8. Interests of Directors and Controlling Shareholders**

None of the Directors or controlling shareholders of the Company or their respective associates has any interest, directly or indirectly, in the Proposed Subscription, other than through their respective interest (if any) in the Company.

**9. 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

23 September 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.