



ADVANCER GLOBAL LIMITED

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

ACQUISITION OF 100% ISSUED AND PAID-UP SHARE CAPITAL OF PROPNE X PROPERTY MANAGEMENT CONSULTANTS PTE. LTD.

1. Introduction

The Board of Directors (the “**Board**” or “**Directors**”) of Advancer Global Limited (the “**Company**” and together with its subsidiaries and associate companies, collectively the “**Group**”) wishes to announce that, Newman & Goh Property Consultants Pte Ltd (“**NGPC**”), a 76% indirectly owned subsidiary of the Company held through Advancer Global Facility Pte. Ltd., had on 1 February 2021 entered into a sales and purchase agreement (“**SPA**”) to acquire 100% of the total issued and paid-up share capital of PropNex Property Management Consultants Pte. Ltd. (“**PPMC**”) from PropNex Limited (“**PropNex**”) and Lawrence February Mila Manalac (“**Mdm February**”) (collectively, the “**Vendors**”) (the “**Acquisition**”) in the following proportions:

<u>Name</u>	<u>Shareholding Percentage (%)</u>	<u>Number of Shares (“Sale Shares”)</u>	<u>Paid-up Capital (S\$)</u>
PropNex	75.0	112,500	112,500
Mdm February	25.0	37,500	37,500
	100.0	150,000	150,000

Note:

Following the completion of the Acquisition, PPMC will become a wholly-owned subsidiary of NGPC and a 76% indirectly owned subsidiary of the Company.

2. Information on PPMC

The information on PPMC in this paragraph 2 was provided by PPMC 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.

PPMC was incorporated in the Republic of Singapore on 30 May 2008 and its principal activity is the provision of property management services. PPMC has an issued and fully paid-up share capital of S\$150,000 consisting of 150,000 ordinary shares.

Based on the audited financial statements of PPMC for the financial year ended 31 December 2019 (“**FY2019**”), PPMC recorded a net profit of S\$218,233. The net asset of PPMC as at 31 December 2019 was S\$619,092.

Based on the unaudited half year management accounts of PPMC for the financial period ended 30 June 2020 (“**HY2020**”), the net profit after tax of PPMC was S\$322,561. The net asset of PPMC as at 30 June 2020 was S\$641,653.

3. Information on the Vendors

PropNex is a public company limited by shares incorporated in the Republic of Singapore and listed on Mainboard of the Singapore Exchange. PropNex, together with its subsidiaries is involved in the provision of real estate agency services, real estate project marketing services, property management services, administrative support services and training/courses. To the best of their knowledge and save for the Acquisition, none of the Group's Directors, controlling shareholders and their associates have had any previous business, commercial, trade dealings or any other connection with Propnex and its directors and controlling shareholders.

Mdm February is an independent and unrelated third party to the Company, its Directors and controlling shareholders or their respective associates. She oversees day-to-day administrative functions of PPMC including human resources and accounting functions, as well as assists in handling project related matters.

4. Rationale for the Acquisition

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

5. Principal terms of the Acquisition

Consideration

The total cash consideration of the Acquisition is S\$1,018,000 (the "**Consideration**") and will be satisfied via 2 tranches:

- (i) the initial consideration amounting to S\$814,400 ("**Initial Consideration**") shall be paid by NGPC to the Vendors upon completion of the transfer of the Sale Shares ("**Completion Date**"), in accordance with the Vendors' respective shareholding percentages as follows:

<u>Name</u>	<u>Shareholding Percentage (%)</u>	<u>Consideration (S\$)</u>
PropNex	75.0	610,800
Mdm February	25.0	203,600
	<u>100.0</u>	<u>814,400</u>

Completion Date shall be falling within ten business days which exclude Saturday, Sunday and public holiday in Singapore, after the satisfaction or fulfilment of the conditions precedent set out in the SPA or such other date as may be mutually agreed between NGPC and the Vendors.

- (ii) a further consideration ("**Further Consideration**") of up to S\$203,600 shall be paid by NGPC to the Vendors on the date falling 12 months after the Completion Date, in accordance with the Vendors' respective shareholding percentages, subject to the following adjustments:

$$\text{Further Consideration} = \text{S\$}203,600 - (\text{A} \times 12 \text{ months} \times 10\% \times 5 \text{ times}) + (\text{B} \times 12 \text{ months} \times 10\% \times 5 \text{ times})$$

where:

A = aggregate monthly managing agency fees of all property management service contracts (as set out in the SPA that were either not novated to NGPC or not renewed within 12 months from the Completion Date.

B = aggregate monthly managing agency fee for all new property management service contracts that were tendered before the Completion Date and entered into by PPMC within 12 months from the Completion Date.

For the avoidance of doubt, the maximum Further Consideration shall not exceed S\$203,600.

The Consideration was negotiated on an arm's length basis between NGPC and the Vendors, taking into account PPMC's profit for HY2020 amounting to S\$322,561 as well as its business operations and prospects. No independent valuation was commissioned in respect of the Acquisition. The Consideration will be funded by NGPC's internal resources.

Conditions Precedent in respect of the Acquisition

Completion of the Acquisition is conditional upon the following conditions ("**Conditions Precedent**") being satisfied or waived (as the case may be):

- (a) all approvals ("**Approvals**") as may be required for or in connection with the execution, delivery or performance of this SPA or and any other agreement, deed, undertaking or document which is ancillary or incidental to this SPA and/or which is for the purposes of effecting any of the transactions contemplated hereunder from all third parties and all relevant Government Authorities in any jurisdiction having been obtained and not withdrawn, revoked, suspended, cancelled or varied before Completion, and where any such Approvals are obtained subject to any conditions, such conditions being acceptable to the Vendors and NGPC;
- (b) each of the warranties being true, accurate and correct and not misleading in all material respects at the date of the SPA and at Completion;
- (c) there being no breach by the Vendors of any of the covenants, undertakings and indemnities contained in the SPA; and
- (d) the board of PropNex and, if applicable, the shareholders of Propnex having approved the entry into the SPA.

Long Stop Date

If the Conditions Precedent are not fulfilled by the by 31 March 2021 or such later date as the Vendors and NGPC may agree in writing ("**Long Stop Date**"), the SPA shall terminate.

Non-compete undertakings

Each Vendor severally and not jointly undertakes to NGPC that each Vendor shall not, directly or indirectly, in any capacity on his own account or on behalf of any other person or jointly with any other person, and whether as principal, shareholder, partner, employee, consultant, agent, investor or otherwise:

- (a) within Singapore during 36 months from the Completion Date ("**Restricted Period**"), carry on or be connected or interested or engaged in (i) any business competing with the whole or part of business in provision of property management services carried on by PPMC ("**Restricted Business**") or (b) the setting up of any business which would compete with the whole or part of any Restricted Business;
- (b) during the Restricted Period, canvass or solicit Restricted Business from, or carry out Restricted Business with any person who is client/customer of the PPMC during the 12 month period prior to the Completion Date;
- (c) during the Restricted Period, induce or seek to induce away from PPMC who was an employee of the PPMC whether or not this would be a breach of contract on the part of the employee provided that this restriction only applies to such persons who occupy or who occupied a senior executive or managerial positions in PPMC; and

- (d) during the Restricted Period do or say anything which is harmful to the reputation of PPMC or which may lead to a client to cease to deal with PPMC or to deal with it on less advantageous terms.

NGPC's Post-Completion Undertakings

NGPC shall, within three months from the Completion Date, change or amend the name of PPMC to exclude the use of the word "PropNex" and cease to use or display in any matter whatsoever any trademarks owned or used by PPMC or PropNex or any similar mark, name, design, or logo wherever the same are used ("**Post-Completion Undertakings**"). In the event that NGPC fails to comply with this obligation, NGPC shall, for each year during which Post-Completion Undertakings has not been complied with, pay PropNex a sum equivalent to 2% of PPMC's annual revenue in the preceding year upon demand and on a pro-rated basis.

6. Rule 1006 Relative Bases

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**") based on the latest announced unaudited financial statements of the Group and the management accounts of PPMC for HY2020 are as follows:

Rule		Relevant figures
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
Rule 1006(b)	Net profits attributable to the assets disposed of, compared with the Group's net profits ⁽¹⁾	14.4%
Rule 1006(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation ⁽²⁾	3.9%
Rule 1006(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	Not applicable
Rule 1006(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	Not applicable

Notes:

- (1) Based on the net profit before tax of the Group for HY2020 amounting to S\$2,583,000 and 100% of the net profit before tax of PPMC amounting to S\$372,866.
- (2) Based on the aggregate consideration of S\$1,018,000 and the Company's market capitalisation of approximately S\$26,374,498 and the weighted average price of \$0.105 as at 25 January 2021 (being the last market day where the Company's shares were traded, preceding the date of the SPA).

As the relative figures computed under Rule 1006(b) of the Catalist Rules exceeds 5%, but does not exceed 75%, the Acquisition constitutes a "discloseable transaction" as defined in Chapter 10 of the Listing Manual. Accordingly, the Company is not required to seek shareholders' approval for the Acquisition.

7. Financial Effects of the Acquisition

The proforma financial effects of the Acquisition 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 Acquisition. The financial effects of the Acquisition set out below have been prepared based on the Group's audited consolidated financial statements for FY2019 and the PPMC's audited financial statements for FY2019.

The financial effects have been prepared on the following bases and assumptions:

- (a) that the Acquisition had been completed on 1 January 2019 for the purposes of illustrating the financial effects on earnings per shares ("**EPS**");
- (b) that the Acquisition had been completed on 31 December 2019 for the purposes of illustrating the financial effects on net tangible asset ("**NTA**"); and
- (c) the computation does not take into account any expenses that may be incurred in relation to the Acquisition.

7.1 EPS

The proforma financial effects of the Acquisition on the EPS of the Group for FY2019 are summarized below:

EPS	Before the Acquisition	After the Acquisition
Profits attributable to owners of the Company ⁽¹⁾ (S\$'000)	471,000	636,857
Weighted average number of issued shares ⁽²⁾	251,348,691	251,348,691
Basic and diluted EPS (cents)	0.19	0.25

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.

7.2 NTA per share

The proforma financial effects of the Acquisition on the NTA per share of the Group as at 31 December 2019 are summarized below:

NTA	Before the Acquisition	After the Acquisition
Consolidated NTA ⁽¹⁾ (S\$'000)	37,677	37,130
Number of issued shares ⁽²⁾	251,348,691	251,348,691
Consolidated NTA per share (cents)	14.99	14.77

Notes:

(1) Represents consolidated NTA excluding minority interests and intangible assets.

(2) Based on the number of ordinary shares issued (excluding treasury shares and subsidiary holdings) as at 31 December 2019.

8. Details of Service Contracts of Proposed Director(s)

No directors are proposed to be appointed to the Company pursuant to the Acquisition.

9. Documents for Inspection

Copies of the SPA 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.

10. Interest of Directors and Controlling Shareholders

None of the Directors, or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Acquisition, other than through their respective shareholding interest (if any) in the Company.

By Order of the Board of Directors

Chin Mei Yang
Chief Executive Officer and Executive Director
1 February 2021

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 Ms. Charmian Lim (Telephone: 65-6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.