



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

**Unaudited Condensed Financial Statements
For the Six Months Ended 30 June 2021**

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Advancer Global Limited and its Subsidiaries

**Condensed interim consolidated statement of profit or loss and other comprehensive income
For the six-month financial period ended 30 June 2021**

	Note	Group		Increase/ (Decrease) %
		HY2021	HY2020	
		S\$'000	S\$'000	
Revenue	5	29,937	27,603	8.5
Cost of sales		(23,512)	(20,845)	12.8
Gross profit		6,425	6,758	(4.9)
Other operating income		2,026	4,586	(55.8)
Administrative expenses		(9,234)	(8,644)	6.8
Finance expenses		(62)	(73)	(15.1)
Share of losses from equity-accounted for associates		(130)	(44)	195.5
(Loss)/Profit before income tax	6	(975)	2,583	N/M ⁽¹⁾
Income tax expense	8	(32)	(353)	(90.9)
(Loss)/Profit for the financial period, representing total comprehensive (loss)/income for the financial period		(1,007)	2,230	N/M ⁽¹⁾
(Loss)/Profit for the financial period attributable to:				
Owners of the Company		(905)	2,017	N/M ⁽¹⁾
Non-controlling interests		(102)	213	N/M ⁽¹⁾
(Loss)/Profit for the financial period		(1,007)	2,230	N/M ⁽¹⁾
Earnings per share attributable to owners of the Company (cents per share)				
Basic and diluted ⁽²⁾	11	(0.36)	0.80	N/M ⁽¹⁾

Note:

(1) N/M – Not meaningful

(2) The calculation of earnings per ordinary share was based on weighted average number of shares 251,190,130 (HY2020: 251,348,691) in issue during the period.

Explanatory Notes to the condensed interim consolidated statement of profit or loss and other comprehensive income

1. The reasons for the increase in revenue are as follows:

Employment Services

Revenue from the Employment Services Business decreased by S\$0.2 million from S\$3.8 million recognised in six-month financial period ended 30 June 2020 (“HY2020”) to S\$3.6 million recognised in six-month financial period ended 30 June 2021 (“HY2021”). For HY2021, there was a decrease in the number of Migrant Domestic Workers (“MDWs”) that the Group had placed out to households in Singapore as compared to HY2020 due to worldwide travel controls which restricted MDWs from entering into Singapore. The Employment Services division had in 2020, reduced its physical presence by consolidating all its resources and assets at the two (2) branches in Jurong and Tampines and ceased operations in four (4) branches in Hougang, Toa Payoh, Woodlands and Yishun at the end of 30 June 2020.

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Advancer Global Limited and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income For the six-month financial period ended 30 June 2021

Explanatory Notes to the condensed interim consolidated statement of profit or loss and other comprehensive income (Continued)

Building Management

Revenue from the Building Management Business increased by S\$2 million from S\$15.3 million recognised in HY2020 to S\$17.3 million recognised in HY2021 mainly due to (a) an increase in service income received from disinfection and fumigation projects, (b) adhoc cleaning and valuation services, (c) projects were on hold due to the Circuit Breaker which ran from 7 April 2020 to 1 June 2020, and (d) revenue contribution from the acquisition of (i) 82% of the total issued and paid up capital of SRE Global Pte. Ltd. (“**SRE**”) in September 2020, (ii) 100% of the total issued and paid up capital of PPMC Pte. Ltd. (“**PPMC**”, previously known as PropNex Property Management Consultants Pte. Ltd.), through 76% indirectly owned subsidiary Newman & Goh Property Consultants Pte Ltd (“**NGPC**”) on 2 February 2021, and (iii) 100% of the total issued and paid up capital of HBA Group Property Consultants Pte. Ltd. (“**HBA**”) through 82% indirectly owned subsidiary SRE on 12 May 2021.

Collectively, SRE, PPMC and HBA are the “**New Subsidiaries**”.

The increase was offset by a decrease in revenue from sale of face masks and service income from pest control, stewarding services, gardening and landscaping services due to the disruption caused by Covid-19 pandemic.

Security Services

Revenue from the Security Services Business increased by S\$0.5 million from S\$8.6 million recognised in HY2020 to S\$9.1 million recognised in HY2021, mainly due to new contracts secured at community care centers, hotels and commercial properties. The increase was offset by the decrease in revenue from sale and installation of security equipment.

2. Increase in cost of sales by S\$2.7 million from S\$20.8 million in HY2020 to S\$23.5 million in HY2021 was in line with increase in revenue from Building Management Business and Security Services Business, and mainly due to:

Building Management Business

Increase in cost of sales by approximately S\$2.0 million due to (a) direct labour costs due to additional headcounts from New Subsidiaries, trainees recruited for property management business and absence of levy rebate for employment pass holders, (b) increase in average wage paid to cleaners to meet the requirement of Progressive Wage Model under the Cleaning Business Licence scheme administered by National Environmental Agency, (c) subcontractors' fee for the Group's fumigation projects, (d) depreciation of right-of-use assets in relation to the lease of hostel, and (e) referral fee incurred by New Subsidiaries.

Security Services Business

Increase in cost of sales by approximately S\$0.8 million due to (a) direct labour costs due to increase in number of security officers employed to fulfil the requirement of new projects, (b) short-term lease expenses incurred for staff accommodation and (c) lease of automation equipment for projects at community care centers. The increase was offset by the decrease in subcontractors' fee.

The above-mentioned increase was offset by a marginal decrease of costs of sales in Employment Services Business by approximately S\$0.1 million from.

Employment Services Business

Decrease in recruitment costs paid (or payable) to overseas recruiters. The decrease in cost of sales was offset by (a) increase in MDWs' accommodation expenses for the provision of housing to MDWs who are required to serve Stay-Home-Notice (“**SHN**”), (b) increase in MDWs insurance due to under-accruals in year 2020.

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Advancer Global Limited and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income For the six-month financial period ended 30 June 2021

Explanatory Notes to the condensed interim consolidated statement of profit or loss and other comprehensive income (Continued)

3. Decrease in other operating income by S\$2.6 million from S\$4.6 million in HY2020 to S\$2.0 million in HY2021 was mainly due to (a) decrease in the amount from government grant and credit scheme such as Jobs Support Scheme and Wages Credit Scheme as a result of revisions made to the schemes, (b) absence of the property tax rebates in HY2021 and (c) interest income from fixed deposits placed with the banks. The decrease was offset by the increase in (a) gain on bargain purchase from acquisition of HBA in May 2021, (b) dividend income and (c) reversal of loss allowance for trade receivables.
4. Administrative expenses increased by S\$0.6 million from S\$8.6 million in HY2020 to S\$9.2 million in HY2021, mainly due to the following:
 - (a) consolidation of administrative expenses arising from the acquisition of the New Subsidiaries;
 - (b) increased amortisation expenses of the Group's IT related operation systems which was acquired in second half of financial year ended 31 December 2020 ("**2H2020**");
 - (c) increased depreciation of Group's property, plant and equipment arising from the increase in capital expenditure in 2H2020;
 - (d) increased key management remuneration arising from appointment of new directors of a subsidiary, and incentive bonus paid to subsidiaries' directors;
 - (e) plant and equipment written off due to move of subsidiaries' offices;
 - (f) increased outsourced IT support services and internet related expenditures; and
 - (g) increased fair value loss on investment of quoted equity instruments.

Conversely, the increase in administrative expenses was offset by the decrease in:

 - (a) loss allowance for trade receivables arising from the trade receivables from the Group's pest control and cleaning businesses which are more than 365 days past due;
 - (b) advertisement expenses;
 - (c) depreciation of right-of-use assets due to termination of leases for office premises;
 - (d) directors' fee due to retirement of a director;
 - (e) Short-term lease expenses for office premises and motor vehicles; and
 - (f) bank charges incurred for Group's Employment Services Business.
5. Finance expenses decreased by S\$11,000 mainly due to the decrease in interest expenses on lease liabilities.
6. The Group recorded share of loss of S\$143,000 from investment in Fullcast International Co., Ltd. ("Fullcast") for HY2021 which was offset by the share of profit of S\$13,000 from investment in Eazable Pte. Ltd. ("**Eazable**").

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Advancer Global Limited and its Subsidiaries

Condensed interim statements of financial position
As at 30 June 2021

	Note	Group		Company	
		As at		As at	
		30-Jun- 2021 S\$'000	31-Dec- 2020 S\$'000	30-Jun- 2021 S\$'000	31-Dec- 2020 S\$'000
ASSETS					
Non-current assets					
Goodwill on consolidation	12	6,125	5,440	-	-
Intangible assets	13	514	666	-	-
Investments in subsidiaries	14	-	-	11,488	11,486
Investments in associates	15	446	396	-	-
Other investments	16	612	624	-	-
Property, plant and equipment	17	2,358	2,296	-	-
Right-of-use assets		2,036	2,338	-	-
Deferred tax assets		28	28	-	-
Total non-current assets		12,119	11,788	11,488	11,486
Current assets					
Inventories		1,079	1,047	-	-
Other investments	16	2,973	1,007	2,973	1,007
Trade and other receivables		16,270	18,659	11,522	14,365
Cash and bank balances		23,466	27,617	14,848	16,182
Total current assets		43,788	48,330	29,343	31,554
Total assets		55,907	60,118	40,831	43,040
EQUITY AND LIABILITIES					
Equity					
Share capital	19	40,607	40,607	40,607	40,607
Treasury shares	20	(241)	(232)	(241)	(232)
Retained earnings		6,489	9,375	(198)	2,001
Other reserves		(2,801)	(2,830)	111	112
Equity attributable to owners of the Company		44,054	46,920	40,279	42,488
Non-controlling interests		888	798	-	-
Total equity		44,942	47,718	40,279	42,488
Non-current liabilities					
Deferred tax liabilities		120	123	-	-
Lease liabilities		819	1,129	-	-
Bank borrowing	22	547	562	-	-
Total non-current liabilities		1,486	1,814	-	-
Current liabilities					
Lease liabilities		1,456	1,472	-	-
Trade and other payables		6,825	8,205	552	547
Contract liabilities from contracts with customers		1,114	793	-	-
Bank borrowing	22	30	30	-	-
Income tax payable		54	86	-	5
Total current liabilities		9,479	10,586	552	552
Total liabilities		10,965	12,400	552	552
Total equity and liabilities		55,907	60,118	40,831	43,040

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Explanatory Notes to the condensed interim statements of financial position

1. Current assets

The Group's current assets decreased by S\$4.5 million or 9.4% from S\$48.3 million as at 31 December 2020 to S\$43.8 million as at 30 June 2021, mainly due to the decrease of (a) trade and other receivables by S\$2.4 million, (b) cash and cash equivalents of S\$4.1 million (more details of the cash movement is explained in the review of the Group's Statement of Cash Flows). This was offset by the increase of investment in quoted shares of S\$2.0 million during the financial period.

The decrease in trade and other receivables by approximately S\$2.4 million or 12.8% was a result of the decrease in the following:

- (a) accrued receivables amounting to S\$0.6 million due to lesser revenue recognised for completion of installation contracts for security system and lesser provision of security services to be invoiced to the customers as at the end of financial period;
- (b) trade receivables of S\$0.2 million which was in line with decrease in revenue from employment, pest control, stewarding services and landscaping services;
- (c) advances to recruiters and suppliers of S\$0.2 million;
- (d) deferred recruitment costs of S\$0.1 million for the Employment Services Business of which revenue will be invoiced during the next financial period;
- (e) receivables of S\$1.3 million in relation to the government grant and credit schemes such as Wage Credit Scheme, Senior Employment Credit Scheme and Jobs Support Scheme; and
- (f) increase in loss allowances for trade receivables of S\$59,000 arising from the trade receivables from the Group's property management, pest control and cleaning business which are more than 365 days past due.

The decrease was offset by the increase in prepayment and deposits in relation to advertisement, insurance, and Group's branding and marketing consultation project.

2. Non-current assets

The Group's non-current assets increased by S\$0.3 million or 2.8% from S\$11.8 million as at 31 December 2020 to S\$12.1 million as at 30 June 2021, mainly due to increase in (a) goodwill arising from acquisition of PPMC in February 2021; (b) addition of plant and equipment for new office of a subsidiary; (c) investments in associates due to the Group acquiring a 45% stake in Eazable in January 2021 which was offset by the share of losses of Fullcast during HY2021. The Group acquired 45% of the total issued and paid-up share capital of Eazable Pte. Ltd. for a total cash consideration of S\$180,000 on 15 January 2021. The increase was offset by the decrease in (a) intangible assets due to amortisation during the financial period, (b) right-of-use assets due to depreciation during the financial period which was offset by new leases of office premises and hostels, and (c) other investments due to disposal of investment in Beijing Singapore Technology & Facility Management Co., Ltd, a company incorporated in People's Republic of China, held through NGPC, with shareholding at 10%.

Explanatory Notes to the condensed interim statements of financial position

3. Current liabilities

The Group's current liabilities decreased by S\$1.1 million or 10.5% from S\$10.6 million as at 31 December 2020 to S\$9.5 million as at 30 June 2021, mainly due to decrease in (a) trade payables which was in line with the decrease in recruitment costs paid (or payable) to overseas recruiters for Employment Service Business and decrease in subcontractors' fee for Security Services Business, (b) amount due to directors, (c) GST payables, (d) credit notes to customers for the Employment Services Business and Security Services Business, (e) deferred income in relation to government grant received and will be recognised as income over the period to match with their related costs, and (d) payables relating to the investment in 15% unquoted equity share of Zhe Jiang Zhi Wu Hui Yun Technology Co. Ltd., a company incorporated in People's Republic of China. The payment was made on 14 January 2021 resulting in a decrease in payables by S\$0.6 million. The decrease was offset by the increase in (a) salary payable, and (b) contract liabilities from contracts with customers due to additional advances received from customers for Employment Services and selling of Internet of Things sensors.

4. Non-current liabilities

The Group's non-current liabilities decreased by S\$0.3 million or 18.1% from S\$1.8 million as at 31 December 2020 to S\$1.5 million as at 30 June 2021, mainly due to the decrease of (a) lease liabilities as a result of repayment during HY2021 which was offset by additional lease liabilities from new leases of office premises and hostels, (b) deferred tax liabilities, and (c) bank borrowing.

Advancer Global Limited and its Subsidiaries

Condensed interim statements of changes in equity
For the six-month financial period ended 30 June 2021

Group

	Note	Attributable to owners of the Company						Non-controlling interests S\$'000	Total equity S\$'000	
		Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Share options reserve S\$'000	Capital reserve S\$'000	Merger reserve S\$'000			Total S\$'000
Balance at 1 January 2021		40,607	(232)	9,375	112	(339)	(2,603)	46,920	798	47,718
Loss for the financial period, representing total comprehensive loss for the financial period		-	-	(905)	-	-	-	(905)	(102)	(1,007)
Purchase of treasury shares	20	-	(9)	-	-	-	-	(9)	-	(9)
Share options expenses pursuant to the ESOS	6	-	-	-	2	-	-	2	-	2
Share options forfeited		-	-	3	(3)	-	-	-	-	-
Acquisition of subsidiaries		-	-	-	-	-	-	-	192	192
Disposal of non-controlling interest in a subsidiary		-	-	-	-	30	-	30	-	30
Non-controlling interests' investment in a subsidiary		-	-	-	-	-	-	-	96	96
Dividend declared to non-controlling interests		-	-	-	-	-	-	-	(96)	(96)
Dividend declared	9	-	-	(1,984)	-	-	-	(1,984)	-	(1,984)
Balance at 30 June 2021		40,607	(241)	6,489	111	(309)	(2,603)	44,054	888	44,942
Balance at 1 January 2020		40,607	(223)	6,331	106	(353)	(2,603)	43,865	300	44,165
Profit for the financial period, representing total comprehensive income for the financial period		-	-	2,017	-	-	-	2,017	213	2,230
Share options expenses pursuant to the ESOS	6	-	-	-	6	-	-	6	-	6
Balance at 30 June 2020		40,607	(223)	8,348	112	(353)	(2,603)	45,888	513	46,401

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Advancer Global Limited and its Subsidiaries

**Condensed interim statements of changes in equity
For the six-month financial period ended 30 June 2021**

<u>Company</u>	<u>Note</u>	<u>Share capital S\$'000</u>	<u>Treasury shares S\$'000</u>	<u>Retained earnings S\$'000</u>	<u>Share options reserve S\$'000</u>	<u>Total S\$'000</u>
Balance at 1 January 2021		40,607	(232)	2,001	112	42,488
Loss for the financial year, representing total comprehensive loss for the financial period		-	-	(218)	-	(218)
Purchase of treasury shares	20	-	(9)	-	-	(9)
Share options expenses pursuant to the ESOS	6	-	-	-	2	2
Share options forfeited		-	-	3	(3)	-
Dividends declared	9	-	-	(1,984)	-	(1,984)
Balance at 30 June 2021		40,607	(241)	(198)	111	40,279
Balance as at 1 January 2020		40,607	(223)	230	106	40,720
Profit for the financial year, representing total comprehensive income for the financial period		-	-	1,276	-	1,276
Share options expenses pursuant to the ESOS	6	-	-	-	6	6
Balance at 30 June 2020		40,607	(232)	1,506	112	42,002

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Advancer Global Limited and its Subsidiaries

**Condensed interim consolidated statement of cash flows
For the six-month financial period ended 30 June 2021**

	Group	
	HY2021	HY2020
	S\$'000	S\$'000
Operating activities		
(Loss)/Profit before income tax	(975)	2,583
Adjustments for:		
Amortisation of intangible assets	152	127
Depreciation of property, plant and equipment	305	244
Depreciation of right-of-use assets	854	848
Dividend income	(26)	-
Exchange gain	*(1)	-
Fair value loss arising from quoted financial assets at fair value through profit or loss ("FVTPL")	64	3
Gain on disposal of property, plant and equipment, net	(2)	-
Gain on bargain purchase arising from acquisition	(93)	-
Loss on lease modification	5	-
Interest expense	62	73
Interest income	(41)	(151)
Loss allowance for receivables (trade)	101	156
Property, plant and equipment written-off	56	-
Reversal of provision for warranties	-	(1)
Reversal of loss allowance for receivable (trade)	(42)	-
Share options expenses pursuant to the ESOS	2	6
Share of losses from equity-accounted for associates	130	44
Operating cash flows before movements in working capital	552	3,932
Changes in working capital:		
Inventories	(32)	(454)
Trade and other receivables	2,930	(390)
Trade and other payables	(668)	1,347
Contract liabilities from contracts with customers	321	39
Cash generated from operations	3,103	4,474
Interest received	41	151
Income taxes paid	(86)	(5)
Net cash generated from operating activities	3,058	4,620
Investing activities		
Deposits on proposed acquisition	-	(300)
Dividend received	26	-
Investment in an associate	(180)	-
Investment in unquoted equity instruments at FVTPL	(607)	-
Net cash outflow on acquisition of subsidiaries	(700)	-
Disposal of non-controlling interest in a subsidiary	30	-
Proceeds from disposal of property, plant and equipment	20	-
Proceed from disposal of investment in unquoted equity instruments at FVTPL	12	-
Purchase of property, plant and equipment	(375)	(98)
Purchase of quoted equity financial assets at FVTPL	(2,030)	(249)
Net cash used in investing activities	(3,804)	(647)
Financing activities		
Dividends paid to owners of the Company	(1,984)	-
Dividends paid to non-controlling interests of subsidiaries	-	(48)
Interest paid	(16)	(20)
Purchase of treasury shares	(9)	-
Repayment of bank borrowing	(15)	(15)
Repayment of lease liabilities	(927)	(865)
Repayment to directors	(454)	-
Net cash used in financing activities	(3,405)	(948)
Net (decrease)/increase in cash and cash equivalents	(4,151)	3,025
Cash and cash equivalents at beginning of financial period	27,617	25,646
Cash and cash equivalents at end of financial period⁽²⁾	23,466	28,671

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Advancer Global Limited and its Subsidiaries

Condensed interim consolidated statement of cash flows
For the six-month financial period ended 30 June 2021

Explanatory Notes to the condensed interim consolidated statement of cash flows

1. Denotes amount lesser than S\$1,000
2. For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial periods:

	Group	
	HY2021	HY2020
	S\$'000	S\$'000
Cash and bank balances	23,466	28,676
Fixed deposit pledged	-	(5)
Cash and cash equivalents	<u>23,466</u>	<u>28,671</u>

3. Group's cash and cash equivalents decreased by S\$4.1 million from S\$27.6 million as at 31 December 2020 to S\$23.5 million as at 30 June 2021.
 - (1) The Group's net cash generated from operating activities amounted to S\$3.1 million for HY2021, which resulted from operating cash flows before movements in working capital of S\$0.5 million and the increase in (a) trade and other receivables of S\$2.9 million, and (b) contract liabilities from contracts with customers of S\$0.3 million, which was offset by the decrease in trade and other payables of S\$0.7 million as well as payment of income tax of S\$86,000.
 - (2) Net cash used in investing activities amounted to S\$3.8 million for HY2021, which was mainly due to (a) purchase of property, plant and equipment of S\$0.3 million relating mainly to the moving of office by a subsidiary, (b) investment in quoted shares of S\$2.0 million (as announced by the Company on 16 April 2021), (c) net cash outflow from the investments in subsidiaries of S\$0.7 million relating to the acquisition of PPMC and HBA, (d) investment in an associate of S\$0.2 million in relation to Eazable and (e) investment in unquoted equity instrument at FVTPL of S\$0.6 million relating to the investment in ZWHY.
 - (3) Net cash used in financing activities amounted to S\$3.4 million for HY2021, mainly due to payment for lease liabilities of S\$0.9 million, payment of dividend of S\$2.0 million, interest payment of S\$16,000 in relation to bank borrowing and lease liabilities, repayment of bank borrowing of S\$15,000 and repayment to directors of S\$0.5 million.

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

Advancer Global Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

1. Corporate information

Advancer Global Limited (the “**Company**”) (Registration Number 201602681W) is a limited liability company incorporated and domiciled in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The registered office and principal place of business of the Company is located at 135 Jurong Gateway Road, #05-317, Singapore 600135.

The principal activity of the Company is that of investment holding. The principal activities of the Group are:

- (a) Employment agencies and maid agencies
- (b) General cleaning services
- (c) Pest control and fumigation services
- (d) Residential real estate management, real estate agents, property management and valuation services
- (e) Landscape planting, care and maintenance services
- (f) Wholesales of electronic component
- (g) Security services
- (h) Installation and maintenance of security system

These condensed interim financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the “**Group**”).

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Reporting Standards (International) (“**SFRS(I)s**”), except for the adoption of new and amended standards as set out in Note 2.1. The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

The financial statements of the Group have been prepared on a going concern basis notwithstanding its net loss of S\$1.0 million in HY2021 (HY2020: net profit of S\$2.2 million). The Group had net current assets and net assets of S\$34.3 million and S\$44.9 million respectively as at 30 June 2021 compared to S\$37.7 million and S\$47.7 million respectively as at 31 December 2020. The Group generated cash from its operating activities in HY2021 and remains in at a net cash position of S\$23.5 million as at 30 June 2021.

2.1 New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There were no significant judgements made in applying accounting policies that have significant effect of causing a material adjustment to the carrying amount of assets and liabilities within the next interim period.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

Note 18 – impairment of loan receivable from an associate, G3 Environment Private Limited (“G3”)

Note 12 – impairment of goodwill on consolidation

Note 13 – impairment of intangible assets

Note 14 – impairment of investments in subsidiaries

Note 15 – impairment of investments in associates

Note 23 – fair value of assets and liabilities

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

- (a) Employment Services Business segment – the provision of one-stop shop services for the sourcing, employment and training of MDWs to households, as well as sourcing and employment of foreign workers to, amongst others, corporate and organisations.
- (b) Building Management Services Business segment – the provision of integrated building facility management services including property consultancy, property and facilities management services, property valuation, investment sales, cleaning and stewarding, waste management, landscape, pest control and fumigation services to, amongst others, hospitals, hotels, schools, residential, commercial and industrial properties.
- (c) Security Services Business segment – the provision of manpower and technology for security solutions and services to, amongst others, commercial, industrial and residential properties, as well as remote surveillance and security consultancy services such as crisis management.

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 June 2021

4 Segment and revenue information (Continued)

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the financial statements. Group financing (including finance expenses) and income taxes are managed on a group basis and are not allocated to operating segments.

Information about reportable segments

Group	Employment Services Business S\$'000	Building Management Services Business S\$'000	Security Services Business S\$'000	Unallocated S\$'000	Total S\$'000
30 June 2021					
External sales	3,567	17,259	9,111	-	29,937
- Service income	3,567	17,254	9,092	-	29,913
- Sales of goods	-	5	19	-	24
Cost of sales	1,952	13,612	7,948	-	23,512
Interest income	-	5	1	35	41
Dividend income	-	-	-	26	26
Interest expense	2	42	18	-	62
Amortisation	-	152	-	-	152
Depreciation	169	782	208	-	1,159
Loss allowance for receivables (trade)	-	101	-	-	101
Reportable segment Profit/(loss) before income tax	44	(665)	(136)	(218)	(975)
Share of (loss)/profit from equity-accounted for associates	(143)	-	13	-	(130)
Reportable segment assets	2,435	24,533	11,075	17,864	55,907
Interest in associates	253	-	193	-	446
Reportable segment liabilities	1,872	5,598	3,537	(42)	10,965
Capital expenditures	34	185	156	-	375
30 June 2020					
External sales	3,781	15,267	8,555	-	27,603
- Service income	3,748	15,175	8,374	-	27,297
- Sales of goods	33	92	181	-	306
Cost of sales	2,071	11,655	7,119	-	20,845
Interest income	-	5	4	142	151
Interest expense	16	41	16	-	73
Amortisation	6	121	-	-	127
Depreciation	246	636	210	-	1,092
Loss allowance for receivables (trade)	-	147	9	-	156
Reportable segment Profit/(loss) before income tax	(123)	1,771	1,071	(136)	2,583
Share of losses from equity- accounted for associates	44	-	-	-	44
Reportable segment assets	3,306	24,765	13,010	18,831	59,912
Interest in an associate	450	-	-	-	450
Reportable segment liabilities	2,830	6,052	4,515	114	13,511
Capital expenditures	-	60	38	-	98

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 June 2021

4 Segment and revenue information (Continued)

Geographical information

The Group operates in one principal geographical area being Singapore except for Employment Services business in Japan through Fullcast International Co., Ltd. (“**Fullcast**”). Fullcast was recognised as an associate of the Group.

The Group’s revenue and non-current assets information based on the geographical location of customers and assets respectively are in Singapore, with no significant concentration of particular customers.

5. Disaggregation of Revenue

	Group	
	<u>HY2021</u>	<u>HY2020</u>
	S\$’000	S\$’000
Service income (point in time)		
– Employment Services	3,567	3,724
– Building Management Services	3,398	1,778
– Security Services	51	14
	7,016	5,516
Service income (over time)		
– Employment Services	-	24
– Building Management Services	13,856	13,397
– Security Services	9,038	8,254
	22,894	21,675
Installation services (point in time)	3	106
Sales of goods (point in time)	24	306
	<u>29,937</u>	<u>27,603</u>

6. (Loss)/Profit before income tax

(Loss)/profit before tax has been arrived after crediting / (charging):

	Group	
	<u>HY2021</u>	<u>HY2020</u>
	S\$’000	S\$’000
<i>Included in other operating income:</i>		
Dividend income	26	-
Gain on bargain purchase arising from acquisition	93	-
Gain on disposal of property, plant and equipment, net	2	-
Government credit schemes and government grants	1,739	4,379
Reversal of loss allowance for receivables (trade)	42	-
Rental income	32	20
Interest income from advances to subcontractors	4	5
Interest income from fixed deposits	37	146

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 June 2021

6. (Loss)/Profit before income tax (Continued)

(Loss)/profit before tax has been arrived after crediting / (charging) (Continued):

	Group	
	<u>HY2021</u>	<u>HY2020</u>
	S\$'000	S\$'000
<i>Included in cost of sales:</i>		
Cost of inventories recognised as an expense	(443)	(390)
Depreciation of right-of-use assets	(155)	(139)
Insurance		
Expenses relating to short-term leases	(253)	(182)
Reversal of provision for warranties	-	1
Recruitment expenses	(1,265)	(1,413)
Staff costs (excluding key management personnel remuneration)	(15,899)	(13,616)
Subcontractors' fees	(4,399)	(4,062)
	<u> </u>	<u> </u>
<i>Included in administrative expenses:</i>		
Advertising expenses	(137)	(155)
Amortisation of intangible assets	(152)	(127)
Depreciation of property, plant and equipment	(305)	(244)
Depreciation of right-of-use assets	(699)	(709)
Directors' fees	(71)	(93)
Expenses relating to short-term leases	(67)	(136)
Expenses relating to low-value assets	-	(3)
Fair value loss arising from quoted financial assets at FVTPL	(64)	(3)
Insurance	(130)	(98)
Key management personnel remuneration	(2,202)	(1,955)
Loss allowance for receivables (trade)	(101)	(156)
Loss on lease modification	(5)	-
Property, plant and equipment written-off	(56)	-
Share option expenses	(2)	(6)
Staff costs (excluding key management personnel remuneration)	(3,943)	(3,838)
	<u> </u>	<u> </u>
<i>Included in finance expenses:</i>		
Interest expenses on borrowing	(7)	(7)
Interest expenses on leases	(55)	(66)
	<u> </u>	<u> </u>

Advancer Global Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 June 2021**

7. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	<u>Group</u>		<u>Company</u>	
	<u>HY2021</u> <u>S\$'000</u>	<u>HY2020</u> <u>S\$'000</u>	<u>HY2021</u> <u>S\$'000</u>	<u>HY2020</u> <u>S\$'000</u>
<i>Subsidiaries</i>				
Dividend income	-	-	-	1,420
Advances from a subsidiary	-	-	-	500
<i>Related parties</i>				
Service income from related parties	14	13	-	-
Service income from associates	32	-	-	-
Purchases from non-controlling interests	4	275	-	-
Purchases from associates	5	15	-	-
Payment on behalf by related parties	50	56	-	-
Lease from related parties	38	38	-	-

8. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<u>Group</u>	
	<u>HY2021</u> <u>S\$'000</u>	<u>HY2020</u> <u>S\$'000</u>
Current income tax		
– Current financial period	32	387
– Under/(Over)-provision in prior financial years	3	-
	<u>35</u>	<u>387</u>
Deferred income tax		
– Origination and reversal of temporary differences	(3)	(30)
– Over-provision in prior financial years	-	(4)
	<u>(3)</u>	<u>(34)</u>
Total tax expense	<u>32</u>	<u>353</u>

9. Dividends

	<u>Group and Company</u>	
	<u>HY2021</u> <u>S\$'000</u>	<u>HY2020</u> <u>S\$'000</u>
<i>Ordinary dividends paid:</i>		
Final tax-exempt (one-tier) dividend for previous financial year of S\$0.0079 (HY2020: S\$Nil) per share	1,984	-

Advancer Global Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
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10. Net Asset Value

	Group		Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Net asset value (S\$'000)	<u>44,054</u>	<u>46,920</u>	<u>40,279</u>	<u>42,488</u>
Number of ordinary shares issued (excluding treasury shares)	<u>251,185,691</u>	<u>251,264,691</u>	<u>251,185,691</u>	<u>251,264,691</u>
Net asset value per share (cents)	<u>17.54</u>	<u>18.67</u>	<u>16.04</u>	<u>16.91</u>

11. Earnings per share

	Group	
	30 June 2021	30 June 2020
Earnings for the purposes of basic and diluted earnings per share (profit for the financial year attributable to owners of the Company) (S\$'000)	(905)	2,017
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	<u>251,190</u>	<u>251,349</u>
Basic and diluted earnings per share (cents)	<u>(0.36)</u>	<u>0.80</u>

The basic and diluted earnings per share is the same as there were no potentially dilutive instruments as at 30 June 2021 and 30 June 2020.

As mentioned in the Company's financial results announcement for HY2020 dated 12 August 2020, the 6,250,000 warrants expired on 16 May 2020 and were not exercised at expiry date.

Whilst there were 881,000 share options outstanding as at 30 June 2021 (30 June 2020: 948,000 share options), the share options were granted at an exercise price of S\$0.40 per share (30 June 2020: S\$0.40 per share) and are not considered to be dilutive for the financial period ended 30 June 2021 and 30 June 2020.

The weighted average number of ordinary shares for financial period ended 30 June 2021 was computed after taking into account the purchase of 10,000 and 69,000 treasury shares by the Company on 5 January 2021 and 12 January 2021 respectively. The Company did not purchase treasury shares during HY2020.

12. Goodwill on consolidation

Goodwill acquired through business combinations is allocated, at acquisition, to the cash generating units ("CGU") that are expected to benefit from those business combinations.

During HY2021, goodwill with carrying amount of S\$685,000 was acquired through the purchase of PPMC in the Building Management Services Business Segment. On 1 February 2021, the Group announced the acquisition of 100% of the total issued and paid-up share capital of PPMC through a 76% indirectly owned subsidiary of the Company NGPC for a total cash consideration of S\$1,018,000 of which initial consideration amounting to S\$814,400 was paid on 2 February 2021 (the "Acquisition"). The Acquisition was completed on 2 February 2021.

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 June 2021

12. Goodwill on consolidation (Continued)

At the reporting date, the Group has yet to perform purchase price allocation exercise for the acquisition and determined the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition.

	Group	
	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000
Cost:		
At 1 January	5,440	5,585
Arising on acquisition of a subsidiary	685	-
Impairment loss	-	(145)
At end of financial period/year	<u>6,125</u>	<u>5,440</u>

Impairment testing of goodwill

Goodwill that have an indefinite useful life are not subject to amortisation and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The assessment for the impairment of goodwill for the financial year ending 31 December 2021 will rely on significant management judgement at appropriately identifying the cash-generating unit and to determine certain key assumptions including, *inter alia*, operating margins, terminal growth rates, discount rates and the underlying the cash flow projections. The actual future performance, outcome and results of the Group may differ materially from the projection as result of, *inter alia*, known and unknown risks, uncertainties, bases and assumptions including uncertainty arising from the pandemic and/or matters beyond the Group's control. As the COVID-19 situation is still evolving and the impact cannot be reliably estimated with certainty at this point of time, no goodwill impairment was provided for HY2021 and impairment of goodwill will be reviewed again at the end of financial year 2021.

13. Intangible assets

Group	Customer contracts and contractual customer relationships⁽¹⁾ S\$'000	Non- contractual customer relationships⁽²⁾ S\$'000	Operation system, operational web portal and mobile application⁽³⁾ S\$'000	Total S\$'000
At 31 Dec 2020				
Cost	2,571	312	488	3,371
Accumulated amortisation	<u>(2,451)</u>	<u>(163)</u>	<u>(91)</u>	<u>(2,705)</u>
Carrying amount	120	149	397	666
Amortisation for the financial period	<u>(86)</u>	<u>(20)</u>	<u>(46)</u>	<u>(152)</u>
Carrying amount at 30 Jun 2021	<u>34</u>	<u>129</u>	<u>351</u>	<u>514</u>

(1) Customer contracts and contractual customer relationships were acquired in business combinations during the financial years ended 31 December 2016, 2017 and 2019.

**Notes to the condensed interim consolidated financial statements
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13. Intangible assets (Continued)

- (2) Cost of non-contractual customer relationships is attributable to long-term relationship with its customers.
- (3) Cost is attributable to the development of (i) operational web portal for Group's Employment Services Business, and (ii) mobile application, a dashboard and operation system for Group's Building Management Services Business in the previous financial years.

Acquired intangible assets are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value at the acquisition date. Subsequent to initial recognition, the intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

14. Investments in subsidiaries

	<u>Company</u>	
	<u>30 Jun</u> <u>2021</u> <u>S\$'000</u>	<u>31 Dec</u> <u>2020</u> <u>S\$'000</u>
Investments in subsidiaries, at cost	11,371	11,371
Deemed investment arising from employees share options provided to employees of subsidiaries	117	115
	<u>11,488</u>	<u>11,486</u>

Disposal of non-controlling interests in a subsidiary-Advancer Smart Technology Pte. Ltd. ("AST")

On 8 January 2021, Advancer Global Facility Pte. Ltd. ("**AGF**"), a wholly-owned subsidiary of the Company disposed 15% issued and paid-up share capital of AST, representing 16,500 ordinary shares for a total cash consideration of S\$30,000 to the directors of AST, who are independent and unrelated third parties to the Company, its Directors and controlling shareholders or their respective associates. As a result of this disposal, AST became an 85%-owned subsidiary of the Group.

Additional investment in a subsidiary-NGPC

On 30 March 2021, AGF increased its issued and paid-up capital in its 76%-owned subsidiary, NGPC, from S\$100,000 comprising 100,000 ordinary shares to S\$500,000 comprising 500,000 ordinary shares through the allotment and issuance of 400,000 ordinary shares of S\$1 per share by way of capitalisation of dividends payable by NGPC to AGF amounting to S\$304,000.

Acquisition of PPMC

On 2 February 2021, NGPC, a 76% indirectly owned subsidiary of the Company completed the acquisition of 100% equity interest in PPMC, a company incorporated in Singapore, to expand Group's current property valuation, property management and property agency businesses within the Group's facilities management division and to further strengthen the services offerings by providing a holistic suite of facilities management solutions and services to wide base of customers.

**Notes to the condensed interim consolidated financial statements
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14. Investments in subsidiaries (Continued)

The book value of the identifiable assets and liabilities of PPMC as at the acquisition date were:

	Book value recognised on acquisition S\$'000
Plant and equipment	61
Right-of-use assets	119
Trade and other receivables	361
Cash and cash equivalents	44
Trade and other payables	(280)
Lease liabilities	(116)
Income tax payable	(18)
Deferred tax liabilities	(2)
Total identifiable net assets at book value	<u>169</u>
Non-controlling interest measured at the non-controlling interest's proportionate share of PPMC's net identifiable assets	(40)
Goodwill arising from acquisition	<u>685</u>
Total Initial Consideration	<u><u>814</u></u>
<u>Effect of the acquisition of PPMC on cash flows</u>	
Total Initial Consideration for 100% of equity interest acquired	(814)
Add: Cash and cash equivalents of a subsidiary acquired	<u>44</u>
Net cash outflow on acquisition	<u><u>770</u></u>

Transaction costs

No transaction costs related to the acquisition was recognised in the Group's profit or loss for the financial period ended 30 June 2021.

Goodwill arising from acquisition

Goodwill of S\$685,000 arising from the acquisition was attributable to the expected synergies from combining the operations of PPMC with NGPC and increasing in Group's pool of corporate customers in relation to the Building Management Services Business. None of the goodwill was expected to be deductible for tax purposes.

As of the date of this report, the initial accounting for the business combination remains incomplete as the management is has not yet appoint valuer to perform the purchase price allocations, the Group has reported in the financial statements provisional amounts for these identifiable assets and liabilities, which is based on book value as of acquisition date. From this preliminary purchase price allocation exercise, the Group has reported S\$685,000 of goodwill generated from the business combination of PPMC during the financial year ending 31 December 2021.

Consideration

The initial consideration for 100% of equity interest acquired of S\$814,400 was paid on 2 February 2021 ("**Initial Consideration**"). A further consideration of up to S\$203,600 is payable by 31 January 2022, with deduction amount to be determined based on (i) aggregate monthly managing agency fees of all property management service contracts and (ii) aggregate monthly managing agency fee for all new property management service contracts that were tendered before 2 February 2021 and entered into by PPMC within 12 months from the 2 February 2021 ("**Further Consideration**"). At the reporting date, the fair value of the Further Consideration has not been determined.

Notes to the condensed interim consolidated financial statements
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14. Investments in subsidiaries (Continued)

Impact of the acquisition on profit or loss

From the date of acquisition, PPMC had contributed S\$212,000 and S\$12,000 to the revenue and the profit after tax of the Group respectively during the financial period ended 30 June 2021.

Acquisition of HBA

On 12 May 2021, SRE Global Pte. Ltd., a 82% indirectly owned subsidiary of the Company completed the acquisition of 100% equity interest in HBA, a company incorporated in Singapore, to expand Group's current property valuation, property management and property agency businesses within the Group's facilities management division and to further strengthen the services offerings by providing a holistic suite of facilities management solutions and services to wide base of customers. At the reporting date, the Group has yet to perform purchase price allocation exercise for the acquisition and determined the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition.

The book value of the identifiable assets and liabilities of HBA as at the acquisition date were:

	Book value recognised on <u>acquisition</u> S\$'000
Plant and equipment	5
Right-of-use assets	12
Trade and other receivables	239
Cash and cash equivalents	670
Trade and other payables	(69)
Lease liabilities	(12)
Total identifiable net assets at book value	<u>845</u>
Non-controlling interest measured at the non-controlling interest's proportionate share of HBA's net identifiable assets	(152)
Bargain purchase arising from acquisition	<u>(93)</u>
Total consideration	<u>600</u>
 <u>Effect of the acquisition of HBA on cash flows</u>	
Total consideration for 100% of equity interest acquired	(600)
Add: Cash and cash equivalents of a subsidiary acquired	<u>670</u>
Net cash inflow on acquisition	<u><u>70</u></u>

Transaction costs

No transaction costs related to the acquisition was recognised in the Group's profit or loss for the financial period ended 30 June 2021.

Gain on bargain purchase arising from acquisition

Gain on bargain purchase of S\$93,000 arising from the acquisition was mainly due to cash and cash equivalents of HBA at the date of acquisition is more than total consideration for the acquisition.

Notes to the condensed interim consolidated financial statements
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14. Investments in subsidiaries (Continued)

As of the date of this report, the initial accounting for the business combination remains incomplete as the management is has not yet appoint valuer to perform the purchase price allocations, the Group has reported in the financial statements provisional amounts for these identifiable assets and liabilities, which is based on book value as of acquisition date. From this preliminary purchase price allocation exercise, the Group has reported S\$93,000 of bargain purchase arising from the business combination of HBA during the financial year ending 31 December 2021.

Consideration

The total consideration of S\$600,000 for 100% equity interest acquired was paid on 7 May 2021 and 12 May 2021 amounted to S\$400,00 and S\$200,000 respectively. The acquisition completed on 12 May 2021.

Impact of the acquisition on profit or loss

From the date of acquisition, HBA had contributed S\$220,000 and S\$23,000 to the revenue and the profit after tax of the Group respectively during the financial period ended 30 June 2021.

15. Investments in associates

	<u>Group</u>	
	<u>30 Jun</u> <u>2021</u> <u>S\$'000</u>	<u>31 Dec</u> <u>2020</u> <u>S\$'000</u>
Investments in associates, at cost	516	516
Additions	180	-
Share of associates' results	(250)	(120)
Carrying amount	<u>446</u>	<u>396</u>

On 15 January 2021, Advancer Global Security Pte. Ltd., a wholly-owned subsidiary of the Company, acquired 45% of the total issued and paid-up share capital of Eazable Pte. Ltd. ("**Eazable**"), representing 135,000 ordinary shares for a total cash consideration of S\$180,000. Following the completion of the acquisition of 45% of the equity interest in Eazable by the Group, Eazable was recognised as an associate of the Group.

The Group has not recognised losses relating to certain associates where its share of losses exceeds the Group's carrying amount of its investment in those associates. The Group's cumulative share of unrecognised losses were S\$283,000 (31 December 2020: S\$536,000) of which none was the share of current year's losses. The Group has no obligation in respect of these losses.

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16. Other investments

	Note	Group		Company	
		30 Jun 2021 S\$'000	31 Dec 2020 S\$'000	30 Jun 2021 S\$'000	31 Dec 2020 S\$'000
Non-current investments					
Financial assets held at FVTPL					
Unquoted equity instruments – at FVTPL		612	624	-	-
Current investments					
Financial assets held at FVTPL					
Quoted equity instruments – at FVTPL		2,973	1,007	2,973	1,007
Total financial assets held at FVTPL		3,585	1,631	2,973	1,007
Movement for unquoted equity instruments					
At beginning of the year		624	-	-	-
Disposal	(a)	(12)	612	-	-
Fair value gain recognised in PL		-	12	-	-
	(b)	612	624		
Movement for quoted equity instruments					
At beginning of the year		1,007	-	1,007	-
Additions		2,030	1,016	2,030	1,016
Fair value loss recognised in PL	(c)	(64)	(9)	(64)	(9)
		2,973	1,007	2,973	1,007

Unquoted equity instruments

- (a) On 1 February 2021, NGPC, a 76% indirectly owned subsidiary of the Company disposed its 10% total equity interest in Beijing Singapore Technology & Facility Management Co., Ltd (“**BSTFM**”), a company incorporated in People’s Republic of China (“**Unquoted China Investment**”) for a total cash consideration of RMB60,000 or S\$12,225 which was received by NGPC on 8 April 2021 .
- (b) As at 30 June 2021, the investments in unquoted equity instruments classified at FVTPL relates to the Investment in Zhe Jiang Zhi Wu Hui Yun Technology Co. Ltd. (“**ZWHY**”), a company incorporated in People’s Republic of China, held through AST, with shareholding at 15%.

On 23 December 2020, ZWHY completed registration of change to include AST as shareholder for its 15% equity interest in the registered capital of ZWHY. The cash consideration of RMB3.0 million for subscription of 15% shares in ZWHY was received by ZWHY on 14 January 2021.

The investment amount is denominated in Chinese Renminbi.

Quoted equity instruments

The quoted equity instruments classified at FVTPL have no fixed maturity date or coupon rate. The fair values of these instruments are based on closing quoted market prices on the last market day of the financial period/year.

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17. Property, plant and equipment

During the financial period, the Group acquired assets amounting to \$375,000 (30 June 2020: \$98,000) and disposed of assets amounting to S\$36,000 (30 June 2020: S\$Nil)

18. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Group		Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets at FVTPL				
Unquoted equity instruments	612	624	-	-
Quoted equity instruments	2,973	1,007	2,973	1,007
Total	3,585	1,631	2,973	1,007
Financial assets at amortised cost				
Trade and other receivables	16,270	18,659	11,522	14,365
Less: Advances to recruiters and suppliers	(377)	(626)	-	-
Less: Deferred cost	(16)	(155)	-	-
Less: Prepayments	(405)	(309)	(7)	(7)
	15,472	17,569	11,515	14,358
Cash and cash equivalents	23,466	27,617	14,848	16,182
Total	38,938	45,186	26,363	30,540
Financial liabilities				
Trade and other payables	6,825	8,205	552	547
Less: Deferred income	(671)	(774)	-	-
	6,154	7,431	552	547
Lease liabilities	2,275	2,601	-	-
Bank borrowing	577	592	-	-
Total	9,006	10,624	552	547

Other receivables include loan receivable from an associate G3 of S\$3.3 million which are unsecured, interest-free and repayable on demand. No allowance for impairment has been recognised as at 30 June 2021 (31 December 2020: S\$Nil). The Group considered the ability of G3 to settle the loan on a repayable on demand basis, with reference to the viability of the financial support provided by its immediate holding company and where G3 has obtained confirmations from other shareholders not to demand for repayment of their respective proportionate shareholders' loans for a period of 13 months from 5 October 2020. The Group also considered the profit or loss forecast of G3 Group during the expected recovery period with reference to relevant and reliable forward-looking outlook and information, including their best estimate of the impact of COVID-19, specific to the associate and the economic environment which could affect the ability of the associate to settle the loan receivables.

19. Share capital

	Group and Company	
	No. of shares	S\$'000
<u>Issued and fully paid, with no par value</u>		
At 31 December 2020 and 30 June 2021	252,363,591	40,607

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For the six-month financial period ended 30 June 2021

19. Share capital (Continued)

On 2 May 2017, the Company issued and allotted 12,500,000 new ordinary shares (“**Placement Shares**”) at an issue price of S\$0.40 per Placement Share (“Placement”) and 6,250,000 warrants (“**Warrant Shares**”), each carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.45 per Warrant Share. The Placement raised gross proceed of S\$5.0 million. The Warrant Shares have expired on 16 May 2020 and were not exercised.

	Group and Company	
	30 Jun 2021	31 Dec 2020
	No. of shares	No. of shares
Total number of issued shares, including treasury shares	252,363,591	252,363,591
Treasury shares	(1,177,900)	(1,098,900)
Total number of issued shares, excluding treasury shares	<u>251,185,691</u>	<u>251,264,691</u>

The Company’s subsidiaries do not hold any shares in the Company as at 30 June 2021, 31 December 2020 and 30 June 2020.

20. Treasury shares

	Group and Company			
	30 Jun 2021		31 Dec 2020	
	No. of shares		No. of shares	
	‘000	S\$’000	‘000	S\$’000
<u>Issued and fully paid, with no par value</u>				
At 1 January	1,099	232	1,015	223
Repurchased during the period/year	<u>79</u>	<u>9</u>	<u>84</u>	<u>9</u>
At 30 June/31 December	<u>1,178</u>	<u>241</u>	<u>1,099</u>	<u>232</u>

During the financial year ended 31 December 2020, the Company acquired 84,000 of its own shares through purchases on Singapore Exchange Securities Trading Limited. The total amount paid to acquire the shares was S\$8,904 and has been deducted from shareholders’ equity.

During the financial period ended 30 June 2021, the Company acquired 79,000 of its own shares through purchases on Singapore Exchange Securities Trading Limited. The total amount paid to acquire the shares was S\$8,992 and has been deducted from shareholders’ equity.

As at 30 June 2021, the number of treasury shares held by the Company, amounting to 1,177,900 represented 0.47% (30 June 2020: 1,014,900 represented 0.40%) of the total number of issued ordinary shares (excluding treasury shares).

No treasury shares were sold, transferred, disposed, cancelled and/or used during HY2021 (HY2020: Nil).

The shareholders of the Company had, at the annual general meeting of the Company held on 29 April 2021, approved the renewal of the Share Buy-back Mandate.

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 June 2021

21. Share-based payment

On 20 April 2017, 1,156,500 share options (“Share Options”) were granted pursuant to the Advancer Global Employee Share Option Scheme. As at 30 June 2021, the only outstanding convertibles of the Company are the 881,000 share options which are convertible into 881,000 ordinary shares against 251,185,691 issued shares (excluding treasury shares). As at 30 June 2021, the number of shares that may be issued on conversion of all outstanding convertibles is 881,000 (31 December 2020: 908,000) ordinary shares against 251,185,691 (31 December 2020: 251,264,691) issued shares (excluding treasury shares).

The details of the options movement during the financial period are as follows:

<u>Date of grant</u>	<u>Balance as at 1 January 2021</u>	<u>Lapsed</u>	<u>Balance as at 31 December 2020</u>	<u>Exercise price per share (S\$)</u>	<u>Exercisable period</u>
20 April 2017	908,000	(27,000)	881,000	0.40	19 April 2019 to 19 April 2022

22. Borrowings

	<u>30-Jun-2021</u>		<u>31-Dec-2020</u>	
	<u>Secured S\$'000</u>	<u>Unsecured S\$'000</u>	<u>Secured S\$'000</u>	<u>Unsecured S\$'000</u>
Amount repayable within one year or less, or on demand	188	-	188	-
Amount repayable after one year	687	-	763	-
Total borrowings	<u>875</u>	<u>-</u>	<u>951</u>	<u>-</u>

- (1) The Group’s borrowings are secured by:
- Motor vehicles under leases liabilities;
 - Personal guarantees by a Director of the Company and a director of a subsidiary for purchase of motor vehicles under leases liabilities. Each of the personal guarantors did not receive any benefits in kind, commission or interest payments from the Group for providing these personal guarantees;
 - A factory unit at 18 Boon Lay Way, #03-138 Tradehub 21, Singapore 609966 (the “Tradehub 21 Property”); and
 - Corporate guarantees provided by Advancer Global Limited and Advancer Global Security Pte. Ltd. for property loan related to the Tradehub 21 Property.

- (2) The lease liabilities at 30 Jun 2021 can be reconciled as follows:

	<u>Group</u>	
	<u>30 Jun 2021 S\$'000</u>	<u>31 Dec 2020 S\$'000</u>
<u>Lease liabilities-non-current</u>		
Lease liabilities arising from operating lease	679	928
Lease liabilities arising from finance lease	140	201
	<u>819</u>	<u>1,129</u>
<u>Lease liabilities-current</u>		
Lease liabilities arising from operating lease	1,298	1,314
Lease liabilities arising from finance lease	158	158
	<u>1,456</u>	<u>1,472</u>

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 June 2021

23. Fair value of assets and liabilities

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The table below analyses the Group's assets that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition.

	Group		
	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000
Financial assets:			
Financial assets at FVTPL			
- Unquoted equity instruments	-	-	612
- Quoted equity instruments	2,973	-	-
At 30 June 2021	<u>2,973</u>	<u>-</u>	<u>612</u>
Financial assets:			
Financial assets at FVTPL			
- Unquoted equity instruments	-	-	624
- Quoted equity instruments	1,007	-	-
At 31 December 2020	<u>1,007</u>	<u>-</u>	<u>624</u>

Except as disclosed in the respective notes, the carrying amounts of the current financial assets and financial liabilities, including cash and cash equivalents, trade receivables, trade payables, lease liabilities and bank borrowing and the above financial assets, approximate their respective fair values.

24. Subsequent event after reporting date

On 2 August 2021, AGF, a wholly-owned subsidiary of the Company acquired an additional 24% equity interest in Country Cousins Pte. Ltd. ("**Country Cousins**"), representing 12,000 ordinary shares for a total cash consideration of S\$60,000. As a result of this additional acquisition, Country Cousins became a wholly-owned subsidiary of the Group.

Other information required by Appendix 7C of the Catalist Rules

**Other information required by Appendix 7C of the Catalyst Rules
For the six-month financial period ended 30 June 2021**

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim statements of financial position of Advancer Global Limited and its subsidiaries (the “**Group**”) as at 30 June 2021 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended 30 June 2021 and certain explanatory notes have not been audited or reviewed.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Please refer to Explanatory Notes to the unaudited condensed financial statements for the six months ended 30 June 2021.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Singapore’s economy continued to face risks and uncertainties in the first six months of 2021, moving from re-opening to the reversal of some safe management measures when the surge in infections and new clusters occurred, amidst the emergence of a more contagious variant. The momentum for the Group slowed down as affected businesses had to scale down their operations to remain sustainable. Revenue was negatively impacted on all the Group’s business segments.

Nevertheless, the silver lining is the Group’s recent acquisition of 2 property companies and the expanded portfolio has made us among one of the largest property managing agencies in Singapore. With a stronger team comprising of veterans in the facility management (FM) industry and leveraging on their knowledge and relationship as well as enlarged customer base, the Group is well placed to navigate the volatile economy.

Further, the offer of a broader range of services and solutions by subsidiaries in the building management and security business segments, and by overcoming branding challenges, the management believes this will provide us with a competitive advantage and establishes us as a stronger player along the Integrated Facility Management (IFM) continuum. In striving to better meet the growing trends and needs of building owners, a key strategy is through the continuous development of smart FM solutions to improve productivity and efficiency, reduce labour intensity and enhance service delivery. Towards this end, our innovative smart FM team stays committed to developing an integrated digital ecosystem, using data analytics and Internet of Things (IoT) to create new value that builds on the customer’s experience.

**Other information required by Appendix 7C of the Catalyst Rules
For the six-month financial period ended 30 June 2021**

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months (Continued)

On Employment services, the arrival of MDWs from high-risks countries such as Indonesia and the Philippines through a new Pilot Programme may be the front-runner in the next 6 months. Until travel restrictions are removed, this is a viable solution to meet the demand of employers with urgent caregiving needs. This is apart from ongoing initiatives which continue to position the Employment Services division at the forefront such as MDWs using the Antigen Rapid Test (ART) kits at the boarding house, the first employment agency in Singapore to implement this self-test.

5. Dividend

(a) Whether an interim (final) ordinary dividend has been declared or recommended.

No dividend has been declared or recommended for the current financial period.

(b) Corresponding period of the immediately preceding financial year

An interim one-tier tax exempt dividend of S\$0.0059 per share for HY2020 and final one-tier tax exempt dividend of S\$0.0079 per share aggregated a full year dividend of S\$0.0138 per share for financial year ended 31 December 2020.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state whether the tax rate and the country where the dividend is derived. (if the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

6. If no dividend has been declared (recommended), a statement to that effect and the reasons for the decision.

No dividend has been declared or recommended for the financial period ended 30 June 2021 in view of the economic uncertainty resulted from the COVID-19 pandemic and its potential impact to the Group's business.

7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested person transactions.

Advancer Global Limited and its Subsidiaries

Other information required by Appendix 7C of the Catalyst Rules For the six-month financial period ended 30 June 2021

8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers as set out in Appendix 7H under Rule 720(1).

9. Updates on use of Net Subscription Proceeds

The Board refers to the Company's announcements dated 16 April 2021 and 2 August 2021 in relation to the re-allocation and updated status of use of net subscription proceeds (the "**Net Subscription Proceeds**") arising from the Company's issue and allotment of 65,000,000 subscription shares on 31 August 2018. The status of utilisation of the Net Subscription Proceeds as at the date of this announcement is set out as follows:

	<u>Amount allocated</u> S\$ million	<u>Amount utilised</u> S\$ million	<u>Balance</u> S\$ million
Expansion of business operations	12.30	(2.34)	9.96
General corporate and working capital purposes of the Group, mainly to support administrative and operational expenses (Note (a))	5.44	(4.10)	1.34
Investment in money market instruments and/or quoted securities	4.00	(1.34)	2.66
	<u>21.74</u>	<u>(7.78)</u>	<u>13.96</u>

Note:

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

	<u>S\$'000</u>
Professional and listing related expenses	816
Administrative expenses – staff costs	444
Administrative expenses - others	75
Purchase of inventory for a subsidiary	170
Repayment of loan incurred by a subsidiary	300
Advances to subsidiaries for operational expenses	2,300
	<u>4,105</u>

10. Confirmation by the Board Pursuant to Rule 705(5).

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

Advancer Global Limited and its Subsidiaries

**Other information required by Appendix 7C of the Catalist Rules
For the six-month financial period ended 30 June 2021**

On behalf of the Board of Directors

Lim Teck Chai, Danny
Independent Non-Executive Chairman
13 August 2021

Chin Mei Yang
Chief Executive Officer and Executive Director
13 August 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 no.: 65-6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.