



ADVANCER GLOBAL LIMITED

(Company Registration No. 201602681W)

(Incorporated in the Republic of Singapore)

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") IN RELATION TO ANNOUNCEMENT DATED 15 FEBRUARY 2022

*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the announcement dated 15 February 2022 in relation to the Company's acquisition of 100% issued and paid-up share capital of Propmag Management Service Pte Ltd and Propmag Property & Facility Pte. Ltd. ("**Announcement**").*

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**") refers to the following queries received by the Company on 16 February 2022 from the Singapore Exchange Regulation on the Announcement and sets out its responses.

A. SGX Query

PMS recorded a net profit of S\$152,403 in FY2021 while PPF recorded a net loss of S\$21,481 in FY2021. The net asset of PMS and PPF as at 31 December 2021 was S\$237,741 and S\$138,814 respectively.

PMS recorded S\$136,580 net PBT in HY2021 while PPF recorded loss before tax of S\$328 in HY2021. The net asset of PMS and PPF as at 30 June 2021 was S\$221,918 and S\$159,967 respectively.

- 1) Please provide more information on how the cash consideration of S\$1.03 million for the Acquisition is derived.
- 2) Why did the Company choose not to conduct an independent valuation for the Acquisition?

Company's Response

- 1) The Group had, since its listing on Catalist board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), completed and integrated a total of 4 acquisitions within the same property management industry. This is the 5th acquisition within the same industry.

The total consideration amounting to S\$1,030,000 (the "**Consideration**") was negotiated, taking into consideration, the Target Companies' net assets, track record, reputation, customer base, order book and in-depth knowledge in management of real estate industry. In particular, the Management had considered the order book of the Target Companies as at the date of the SPA, amounting to approximately S\$1.6 million and the contract duration for one year, which may be further renewed by the customers. The Consideration was considered reasonable, having assessed the price to earnings ratio ("**P/E Ratio**") of the Target Companies, which falls within the range of the Group's past acquisitions, as well as the scale, operating history and track record of the Target Companies *vis-à-vis* the Company's subsidiaries operating within the same industry.

- 2) For the aforesaid reasons, the Company decided not to incur additional expense in conducting an independent valuation.

B. SGX Query

What is the period of the employment contracts with Terence and Li Lian and how does it ensure a smooth transition of the projects under PMS and PPF?

Company's Response

It is the intention of the Group to merge the businesses of PMS and PPF with that of SRE to achieve economies of scale and synergies between the companies. The merger is expected to be completed expeditiously and it is envisioned for the business of the combined entities to be overseen by Mr Tan Kian Hoon ("**Mr.Tan**"), the managing director of SRE. The Group has entered into employment contracts with Terence and Li Lian for them to assist and facilitate Mr. Tan for the duration of the merger process as he oversees the integration with SRE. Majority of Target Companies' employees have also accepted new employment offers from SRE.

C. SGX Query

As part of the commercial negotiations between the Company and the Vendors, it is agreed that the Vendors shall withdraw such amounts from the bank accounts of the Target Companies and shall leave \$35,000 in cash and/or trade receivables, excluding doubtful receivables, in PMS and PPF.

- 1) Please clarify how is the S\$35,000 derived?
- 2) What is the latest cash position in PMS and PPF?

Company's Response

- 1) The amount of S\$35,000 was negotiated, taking into account Target Companies' working capital requirements post completion of the acquisition, and the expected merging of PMS and PPF with SRE mentioned in the response to Query B above.
- 2) Based on the bank statements and records of petty cash of the Target Companies, PMS and PPF recorded cash and bank balances of S\$4,192 and S\$36,079 respectively as at 15 February 2022.

By Order of the Board of Directors

Chin Mei Yang
Chief Executive Officer and Executive Director
18 February 2022

*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.