

**Condensed Unaudited Financial Statements
For the Second Half Year (“2H2021”) and Full Year (“FY2021”)
Ended 31 December 2021**

Table of Contents

Condensed interim consolidated statement of profit or loss and other comprehensive income	2
Condensed interim statements of financial position	5
Condensed interim statements of changes in equity	8
Condensed interim consolidated statement of cash flows.....	10
Notes to the condensed interim consolidated financial statements.....	12
Other information required by Appendix 7C of the Catalist Rules	31

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.

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Advancer Global Limited and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income
For the Second Half Year (“2H2021”) and Full Year (“FY2021”) ended 31 December 2021

	Note	Group			Group		
		2H2021 S\$'000	2H2020 S\$'000	Changes (%)	FY2021 S\$'000	FY2020 S\$'000	Changes (%)
Revenue	5	30,195	28,788	4.9	60,132	56,391	6.6
Cost of Sales		(23,189)	(22,673)	2.3	(46,701)	(43,518)	7.3
Gross profit		7,006	6,115	14.6	13,431	12,873	4.3
Other operating income		1,513	5,444	(72.2)	3,539	10,030	(64.7)
Administrative expenses		(11,566)	(9,070)	27.5	(20,800)	(17,714)	17.4
Finance expenses		(54)	(67)	(19.4)	(116)	(140)	(17.1)
Share of losses from equity- accounted for associates		(50)	(54)	(7.4)	(180)	(98)	83.7
(Loss)/Profit before income tax	6	(3,151)	2,368	N/M	(4,126)	4,951	N/M
Income tax credit	8	46	389	(88.2)	14	36	(61.1)
(Loss)/Profit for the financial year/period, representing total comprehensive income for the financial year/period		(3,105)	2,757	N/M	(4,112)	4,987	N/M
(Loss)/Profit for the financial year/period attributable to:							
Owners of the Company		(3,140)	2,508	N/M	(4,045)	4,525	N/M
Non-controlling interests		35	249	(85.9)	(67)	462	N/M
(Loss)/Profit for the financial year/period		(3,105)	2,757	N/M	(4,112)	4,987	N/M
Earnings per share attributable to owners of the Company							
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)		251,190	251,265		251,188	251,347	
Basic and diluted earnings per share (cents)	11	(1.25)	1.00	N/M	(1.61)	1.80	N/M

Note:

(1) N/M – Not meaningful

Advancer Global Limited and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income For the Second Half Year (“2H2021”) and Full Year (“FY2021”) ended 31 December 2021

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 increased by S\$1.0 million from S\$5.6 million recognised in the financial year ended 31 December 2020 (“FY2020”) to S\$6.6 million recognised in the financial year ended 31 December 2021 (“FY2021”). For FY2021, the average package fee for hiring Migrant Domestic Workers (“MDWs”) increased due to the shortage of supply of MDWs in the market and the additional safety measures for Covid-19 such as accommodation for quarantine and medical cost. This was offset by a decrease in the number of MDWs that the Group had placed out to households in Singapore as compared to FY2020 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 during FY2020.

Building Management

Revenue from the Building Management Business increased by S\$4.6 million from S\$30.7 million recognised in FY2020 to S\$35.3 million recognised in FY2021 mainly due to service income received from disinfection and fumigation projects and 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 stewarding services, gardening and landscaping services, general pest controls due to the disruption caused by Covid-19 pandemic.

Security Services

Revenue from the Security Services Business decreased by S\$1.8 million from S\$20.1 million recognised in FY2020 to S\$18.3 million recognised in FY2021, mainly due to completion of a security project at airport in early 2021 and decrease in service income from community care centers and sale and installation of security equipment.

2. Increase in cost of sales by S\$3.2 million from S\$43.5 million in FY2020 to S\$46.7 million in FY2021 was in line with increase in revenue from Employment Services Business and Building Management Business, and mainly due to:

Employment Services Business

Increase in cost of sales by approximately S\$0.6 million due to increase in (a) MDWs’ accommodation expenses for the provision of housing to MDWs who are required to serve Stay-Home-Notice (“SHN”), (b) insurance expenses and (c) recruitment costs paid (or payable) to overseas recruiters due to requirement of multiple COVID-19 tests over a 14-day period at isolation facilities in MDWs’ home countries.

Building Management Business

Increase in cost of sales by approximately S\$4.4 million due to (a) direct labour costs incurred from additional headcounts from the 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) depreciation of right-of-use assets in relation to the lease of hostel, and (d) referral fee incurred by New Subsidiaries for property valuation services.

Advancer Global Limited and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income For the Second Half Year (“2H2021”) and Full Year (“FY2021”) ended 31 December 2021

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

Security Services Business

Decrease in cost of sales by approximately S\$1.8 million was due to decreased in subcontractors' fee and number of security system sold which was in line with the decrease in revenue.

3. Decrease in other operating income by S\$6.5 million from S\$10.0 million in FY2020 to S\$3.5 million in FY2021 was mainly due to decrease in (a) the amount from government grant and credit scheme and other relief subsidies in relation to COVID-19 as a result of revisions made to the schemes, (b) interest income from fixed deposits placed with the banks, (c) gain on bargain purchase from acquisition of HBA in May 2021 compared to acquisition of SRE Pte. Ltd. in FY2020 and (d) absence of the property tax rebates in FY2021. The decrease was offset by the increase in (a) dividend income from investment in quoted shares, and (b) reversal of loss allowance for trade receivables.
4. Administrative expenses increased by S\$3.1 million from S\$17.7 million in FY2020 to S\$20.8 million in FY2021, mainly due to the following:
 - (a) consolidation of administrative expenses arising from the acquisition of the New Subsidiaries;
 - (b) increased marketing expenditures for employment business;
 - (c) increased depreciation of Group's property, plant and equipment arising from the increase in capital expenditure in 2H2020 related to renovation of offices;
 - (d) increased insurance expenses;
 - (e) increased remuneration of subsidiaries' directors arising from acquisition of the New Subsidiaries and incentive bonus paid to subsidiaries' directors;
 - (f) increased directors' fee arising from appointment of a new director;
 - (g) plant and equipment written off due to move of subsidiaries' offices;
 - (h) increased outsourced IT support services and internet related expenditures;
 - (i) increased petrol expenses due to petrol duty rate in Singapore;
 - (j) increased fair value loss on investment of quoted equity instruments;
 - (k) impairment loss of goodwill of subsidiaries;
 - (l) fair value loss arising from impairment of 15% equity investment in Zhe Jiang Zhi Wu Hui Yun Technology Co. Ltd. , a company incorporated in People's Republic of China, held through Advancer Smart Technology Pte. Ltd, a 85% indirectly owned subsidiary of the Company;
 - (m) loss allowance for trade receivables arising from the trade receivables from the Group's property management, landscaping, pest control, cleaning and security businesses which are more than 365 days past due; and
 - (n) purchase of face mask for employees.

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

- (a) depreciation of right-of-use assets due to termination of leases for office premises;
 - (b) bonus of key management personnel;
 - (c) short-term lease expenses for office premises and motor vehicles; and
 - (d) bank charges incurred for Group's Employment Services Business and set up fee for paynow system.
5. Finance expenses decreased by S\$24,000 mainly due to the decrease in interest expenses on lease liabilities.
 6. The Group recorded share of loss of S\$209,000 from investment in Fullcast International Co., Ltd. (“**Fullcast**”) for FY2021 which was offset by the share of profit of S\$28,000 from investment in Eazable Pte. Ltd. (“**Eazable**”).

Advancer Global Limited and its Subsidiaries

Condensed interim statements of financial position
As at 31 December 2021

	Note	Group		Company	
		As at		As at	
		31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Goodwill on consolidation	12	4,425	5,440	-	-
Intangible assets	13	539	666	-	-
Investments in subsidiaries	14	-	-	11,487	11,486
Investments in associates	15	396	396	-	-
Other investments	16	125	624	-	-
Property, plant and equipment	17	2,007	2,296	-	-
Right-of-use assets		1,860	2,338	-	-
Deferred tax assets		28	28	-	-
Total non-current assets		9,380	11,788	11,487	11,486
Current assets					
Inventories		697	1,047	-	-
Other investments	16	2,506	1,007	2,506	1,007
Trade and other receivables		14,679	18,659	11,008	14,365
Cash and bank balances		24,797	27,617	15,620	16,182
Total current assets		42,679	48,330	29,134	31,554
Total assets		52,059	60,118	40,621	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		3,352	9,375	58	2,001
Other reserves		(2,851)	(2,830)	106	112
Equity attributable to owners of the Company		40,867	46,920	40,530	42,488
Non-controlling interests		686	798	-	-
Total equity		41,553	47,718	40,530	42,488
Non-current liabilities					
Deferred tax liabilities		85	123	-	-
Lease liabilities		698	1,129	-	-
Bank borrowing	22	530	562	-	-
Total non-current liabilities		1,313	1,814	-	-
Current liabilities					
Lease liabilities		1,342	1,472	-	-
Trade and other payables		6,654	8,205	85	547
Contract liabilities from contracts with customers		1,146	793	-	-
Bank borrowing	22	32	30	-	-
Income tax payable		19	86	6	5
Total current liabilities		9,193	10,586	91	552
Total liabilities		10,506	12,400	91	552
Total equity and liabilities		52,059	60,118	40,621	43,040

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

Condensed interim statements of financial position
As at 31 December 2021

Explanatory Notes to the condensed interim statements of financial position

1. Current assets

The Group's current assets decreased by S\$5.6 million or 11.7% from S\$48.3 million as at 31 December 2020 to S\$42.7 million as at 31 December 2021, mainly due to the decrease of (a) trade and other receivables by S\$3.9 million, (b) cash and cash equivalents of S\$2.8 million (more details of the cash movement is explained in the review of the Group's Statement of Cash Flows), and (c) inventories by S\$0.4 million. This was offset by the increase of investment in quoted shares of S\$1.5 million during the financial period.

The decrease in trade and other receivables by approximately S\$4.0 million or 21.3% was a result of the decrease in the following:

- (a) accrued receivables amounting to S\$0.4 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\$1.3 million which was in line with decrease in revenue from pest control, stewarding services, landscaping services and security services;
- (c) advances to recruiters and suppliers of S\$0.2 million;
- (d) decrease in deposits of S\$0.2 million due to recognition of intangible assets of Employment Services Business (net of government grant) and property, plant and equipment which were paid in prior year.
- (e) deferred recruitment costs of S\$36,000 for the Employment Services Business of which revenue will be invoiced during the next financial year;
- (f) 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;
- (g) loss allowances for trade receivables of S\$85,000 arising from the trade receivables from the Group's property management, pest control, cleaning and security businesses which are more than 365 days past due; and
- (h) repayment of loan of S\$0.8 million from an associate.

The decrease was offset by the increase in (a) prepayment of S\$66,000 in relation to advertisement and insurance and (b) other grant receivable of S\$0.3 million in relation to operation system and equipment.

2. Non-current assets

The Group's non-current assets decreased by S\$2.4 million or 20.4% from S\$11.8 million as at 31 December 2020 to S\$9.4 million as at 31 December 2021, mainly due to the (a) decrease in intangible assets due to amortisation during the financial period, (b) decrease in right-of-use assets due to depreciation during the financial period which was offset by new leases of office premises, office equipment, motor vehicles and other operating facilities such as hostels, (c) decrease in other investments due to (i) disposal of investment in 10% equity interest of BSTFM in FY2021, and (ii) fair value loss recognised in FY2021 in relation to 15% equity investment in ZWHY, (d) decrease in property, plant and equipment due to depreciation of the financial year, (e) impairment loss of goodwill for its subsidiaries Premier Eco-care Pte. Ltd. ("**Premier**"), Prestige International Management Pte. Ltd. ("**Prestige**", previously known as Prestige Enviro-care Pte. Ltd.), and Green Management Pte. Ltd. ("**Green Management**") (collectively "**Premier Group**"), Country Cousin Pte. Ltd. ("**Country Cousins**"), and World Clean Facility Services Pte. Ltd. ("**World Clean**").

The Group acquired 45% of the total issued and paid-up share capital of Eazable for a total cash consideration of S\$180,000 on 15 January 2021. The increase in investment in associates was offset by the share of losses of Fullcast during HY2021.

Explanatory Notes to the condensed interim statements of financial position

3. Current liabilities

The Group's current liabilities decreased by S\$1.4 million or 13.2% from S\$10.6 million as at 31 December 2020 to S\$9.2 million as at 31 December 2021, mainly due to decrease in (a) trade payables of subcontractors' fee for cleaning business, (b) salary payables to directors, (c) accrued operating expenses, (d) GST payables, (e) credit notes to customers for the Employment Services Business and Security Services Business, (f) deferred income in relation to government grant received and will be recognised as income over the period to match with their related costs, and (g) 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, (b) dividend payable to non-controlling interest, and (c) 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\$0.5 million or 27.6% from S\$1.8 million as at 31 December 2020 to S\$1.3 million as at 31 December 2021, mainly due to the decrease of (a) lease liabilities as a result of repayment during FY2021 which was offset by additional lease liabilities from new leases of office premises office equipment, motor vehicles and other operating facilities such as hostels, (b) deferred tax liabilities, and (c) bank borrowing.

Advancer Global Limited and its Subsidiaries

Condensed interim statements of changes in equity
For the financial year ended 31 December 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 year, representing total comprehensive loss for the financial year		-	-	(4,045)	-	-	-	(4,045)	(67)	(4,112)
Purchase of treasury shares	20	-	(9)	-	-	-	-	(9)	-	(9)
Share options expenses pursuant to the ESOS	6	-	-	-	*	-	-	*	-	*
Share options forfeited		-	-	6	(6)	-	-	-	-	-
Acquisition of subsidiaries		-	-	-	-	-	-	-	276	276
Disposal of non-controlling interest in a subsidiary		-	-	-	-	30	-	30	-	30
Acquisition of remaining non-controlling interest in a subsidiary		-	-	-	-	(45)	-	(45)	(15)	(60)
Dividend declared to non-controlling interests		-	-	-	-	-	-	-	(306)	(306)
Dividends declared	9	-	-	(1,984)	-	-	-	(1,984)	-	(1,984)
Balance at 31 December 2021		40,607	(241)	3,352	106	(354)	(2,603)	40,867	686	41,553
Balance at 1 January 2020		40,607	(223)	6,331	106	(353)	(2,603)	43,865	300	44,165
Profit for the financial year, representing total comprehensive income for the financial year		-	-	4,525	-	-	-	4,525	462	4,987
Purchase of treasury shares	20	-	(9)	-	-	-	-	(9)	-	(9)
Share options forfeited		-	-	2	(2)	-	-	-	-	-
Share options expenses pursuant to the ESOS	6	-	-	-	8	-	-	8	-	8
Acquisition of remaining non-controlling interest in a subsidiary		-	-	-	-	14	-	14	(14)	-
Acquisition of subsidiary		-	-	-	-	-	-	-	206	206
Non-controlling interests' investment in a subsidiary		-	-	-	-	-	-	-	10	10
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	(166)	(166)
Dividends declared	9	-	-	(1,483)	-	-	-	(1,483)	-	(1,483)
Balance at 31 December 2021		40,607	(232)	9,375	112	(339)	(2,603)	46,920	798	47,718

* Denotes amount less than S\$1,000

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 financial year ended 31 December 2021**

<u>Company</u>	<u>Note</u>	<u>Share capital</u> <u>S\$'000</u>	<u>Treasury shares</u> <u>S\$'000</u>	<u>Retained earnings</u> <u>S\$'000</u>	<u>Share options reserve</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
Balance at 1 January 2021		40,607	(232)	2,001	112	42,488
Profit for the financial year, representing total comprehensive profit for the financial year		-	-	35	-	35
Purchase of treasury shares	20	-	(9)	-	-	(9)
Share options expenses pursuant to the ESOS	6	-	-	-	*	*
Share options forfeited		-	-	6	(6)	-
Dividends declared	9	-	-	(1,984)	-	(1,984)
Balance at 31 December 2021		40,607	(241)	58	106	40,530
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 year		-	-	3,252	-	3,252
Purchase of treasury shares	20	-	(9)	-	-	(9)
Share options forfeited		-	-	2	(2)	-
Share options expenses pursuant to the ESOS	6	-	-	-	8	8
Dividends declared	9	-	-	(1,483)	-	(1,483)
Balance at 31 December 2020		40,607	(232)	2,001	112	42,488

* Denotes amount less than S\$1,000

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 consolidated interim statement of cash flows
For the financial year ended 31 December 2021**

	Group	
	FY2021 S\$'000	FY2020 S\$'000
Operating activities		
(Loss)/Profit before income tax	(4,126)	4,951
Adjustments for:		
Amortisation of intangible assets	281	279
Impairment loss of goodwill	1,619	145
Bad debts written-off	2	15
Depreciation of property, plant and equipment	587	529
Depreciation of right-of-use assets	1,680	1,685
Dividend income	(53)	(12)
Exchange gain	*	(4)
Fair value loss arising from quoted financial assets at fair value through profit or loss ("FVTPL")	363	9
Fair value loss/(gain) arising from unquoted financial assets at FVTPL	486	(12)
Loss on disposal of property, plant and equipment, net	6	-
Gain on bargain purchase arising from acquisition	(245)	(325)
Loss/(Gain) on lease modification	5	(6)
Interest expense	116	140
Interest income	(83)	(245)
Loss allowance for receivables (trade), net	85	104
Property, plant and equipment written-off	65	16
Reversal of provision for warranties	(1)	(1)
Share options expenses pursuant to the ESOS	*	8
Share of losses from equity-accounted for associates	180	98
Operating cash flows before movements in working capital	<u>967</u>	<u>7,374</u>
Changes in working capital:		
Inventories	350	(100)
Trade and other receivables	4,351	(727)
Trade and other payables	(1,046)	79
Contract liabilities from contracts with customers	353	147
Cash generated from operations	<u>4,975</u>	<u>6,773</u>
Interest received	83	245
Income taxes paid	(118)	(167)
Net cash generated from operating activities	<u>4,940</u>	<u>6,851</u>
Investing activities		
Dividend received	53	12
Investment in an associate	(180)	-
Investment in unquoted equity instruments at FVTPL	(607)	-
Net cash (outflow)/inflow on acquisition of subsidiaries	(700)	463
Disposal of non-controlling interest in a subsidiary	30	10
Acquisition of non-controlling interests in a subsidiary	(60)	-
Proceeds from disposal of property, plant and equipment	118	-
Proceed from disposal of investment in unquoted equity instruments at FVTPL	12	-
Purchase of intangible asset	-	(334)
Purchase of property, plant and equipment	(385)	(460)
Purchase of quoted equity instruments held at FVTPL	(1,862)	(1,016)
Net cash used in investing activities	<u>(3,581)</u>	<u>(1,325)</u>

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 consolidated interim statement of cash flows
For the financial year ended 31 December 2021**

	Group	
	FY2021	FY2020
	S\$'000	S\$'000
Financing activities		
Dividends paid to owners of the Company	(1,984)	(1,483)
Dividends paid to non-controlling interests of subsidiaries	-	(214)
Fixed deposit pledged	5	-
Interest paid	(29)	(39)
Proceed from issuance of new shares to non-controlling interest of a subsidiary	180	-
Purchase of treasury shares	(9)	(9)
Repayment of bank borrowing	(30)	(29)
Repayment of lease liabilities	(1,853)	(1,739)
Repayment to directors	(454)	(47)
Net cash used in financing activities	(4,174)	(3,560)
Net (decrease)/increase in cash and cash equivalents	(2,815)	1,966
Cash and cash equivalents at beginning of financial year	27,612	25,646
Cash and cash equivalents at end of financial year	24,797	27,612

* Denotes amount less than S\$1,000

Explanatory Notes to the condensed consolidated statement of cash flows

1. For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	Group	
	FY2021	FY2020
	S\$'000	S\$'000
Cash and bank balances	24,797	27,617
Fixed deposit pledged	-	(5)
Cash and cash equivalents	24,797	27,612

2. Group's cash and cash equivalents decreased by S\$2.8 million from S\$27.6 million as at 31 December 2020 to S\$24.8 million as at 31 December 2021.

- (1) The Group's net cash generated from operating activities amounted to S\$4.9 million for FY2021, which resulted from operating cash flows before movements in working capital of S\$1.0 million and the decrease in (a) inventories of S\$0.4 million, (b) trade and other receivables of S\$4.3 million, and (c) contract liabilities from contracts with customers of S\$0.3 million, which was offset by the decrease in trade and other payables of S\$1.1 million as well as payment of income tax of S\$0.1 million.
- (2) Net cash used in investing activities amounted to S\$3.6 million for FY2021, which was mainly due to (a) purchase of property, plant and equipment of S\$0.4 million relating mainly to the moving of office by a subsidiary and improvement of security system for Group's Security Services segment, (b) investment in quoted shares of S\$1.9 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. The cash used in investing activities was offset by proceeds from disposal of property, plant and equipment of S\$0.1 million.
- (3) Net cash used in financing activities amounted to S\$4.2 million for FY2021, mainly due to payment for lease liabilities of S\$1.9 million, payment of dividend of S\$2.0 million, interest payment of S\$29,000 in relation to bank borrowing and lease liabilities, repayment of bank borrowing of S\$30,000 and repayment to directors of S\$0.5 million. The cash used in financing activities was offset by proceeds of S\$0.2 million from issuance of new shares to non-controlling interest of a subsidiary.

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 financial year ended 31 December 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) Integrated facility management
- (f) Landscape planting, care and maintenance services
- (g) Wholesales of electronic component
- (h) Security services
- (i) Installation and maintenance of security system

These condensed financial statements as 31 December 2021 comprise the Company and its subsidiaries (collectively, the “**Group**”).

2. Basis of preparation

The condensed unaudited financial statements for 2H2021 and FY2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed unaudited 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 unaudited 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\$4.1 million in FY2021 (FY2020: net profit of S\$5.0 million). The Group had net current assets and net assets of S\$33.5 million and S\$41.6 million respectively as at 31 December 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 FY2021 and remains in at a net cash position of S\$24.8 million as at 31 December 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 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 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 18 – impairment of loan receivable from an associate, G3 Environment Private Limited ("G3")

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 financial year ended 31 December 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

<u>Group</u>	<u>Employment Services Business S\$'000</u>	<u>Building Management Services Business S\$'000</u>	<u>Security Services Business S\$'000</u>	<u>Unallocated S\$'000</u>	<u>Total S\$'000</u>
2H2021					
External sales	2,994	18,000	9,201	-	30,195
- Service income	2,994	17,476	9,065	-	29,535
- Sales of goods	-	524	136	-	660
Cost of sales	1,648	14,302	7,238	-	23,189
Interest income	-	5	1	36	42
Dividend income	-	-	-	27	27
Interest expense	8	40	6	-	54
Amortisation	21	108	-	-	129
Depreciation	136	813	159	-	1,108
Loss allowance for receivables (trade), net Reportable segment	-	(16)	42	-	26
Profit/(loss) before income tax	(250)	(3,192)	631	(340)	(3,151)
Share of (loss)/profit from equity-accounted for associates	(65)	-	15	-	(50)
Reportable segment assets	2,117	20,911	10,877	18,154	52,059
Interest in associates	187	-	209	-	396
Reportable segment liabilities	1,826	5,858	3,037	(215)	10,506
Capital expenditures	107	28	16	-	151
2H2020					
External sales	1,811	15,414	11,563	-	28,788
- Service income	1,802	15,352	11,239	-	28,393
- Sales of goods	9	62	324	-	395
Cost of sales	937	11,846	9,890	-	22,673
Interest income	-	4	2	88	94
Interest expense	11	41	15	-	67
Amortisation	4	148	-	-	152
Depreciation	178	700	244	-	1,122
Loss allowance for receivables (trade) Reportable segment	-	(43)	(9)	-	(52)
Profit before income tax	109	1,066	951	242	2,368
Share of losses from equity-accounted for associates	54	-	-	-	54
Reportable segment assets	2,641	26,264	14,010	17,203	60,118
Interest in associates	396	-	-	-	396
Reportable segment liabilities	2,079	6,324	4,111	(114)	12,400
Capital expenditures	182	469	45	-	696

Advancer Global Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 2021

4 Segment and revenue information (Continued)

<u>Group</u>	<u>Employment Services Business S\$'000</u>	<u>Building Management Services Business S\$'000</u>	<u>Security Services Business S\$'000</u>	<u>Unallocated S\$'000</u>	<u>Total S\$'000</u>
FY2021					
External sales	6,561	35,259	18,312	-	60,132
- Service income	6,561	34,730	18,157	-	59,448
- Sales of goods	-	529	155	-	684
Cost of sales	3,600	27,914	15,186	-	46,700
Dividend income	-	-	-	53	53
Interest income	-	10	2	71	83
Interest expense	10	82	24	-	116
Amortisation	21	260	-	-	281
Depreciation	305	1,595	367	-	2,267
Loss allowance for receivables (trade), net	-	43	42	-	85
Reportable segment Profit/(loss) before income tax	(206)	(3,857)	495	(558)	(4,126)
Share of (loss)/profit from equity-accounted for associates	(208)	-	28	-	(180)
Reportable segment assets	2,116	20,911	10,877	18,154	52,058
Interest in associates	187	-	209	-	396
Reportable segment liabilities	1,825	5,858	3,036	(215)	10,504
Capital expenditures	141	177	171	-	489
FY2020					
External sales	5,592	30,681	20,118	-	56,391
- Service income	5,550	30,527	19,613	-	55,690
- Sales of goods	42	154	505	-	701
Cost of sales	3,008	23,501	17,009	-	43,518
Dividend income	-	-	-	12	12
Interest income	-	9	6	230	245
Interest expense	27	82	31	-	140
Amortisation	10	269	-	-	279
Depreciation	424	1,336	454	-	2,214
Loss allowance for receivables (trade)	-	104	-	-	104
Bad debts written-off	-	15	-	-	15
Reportable segment Profit/(loss) before income tax	(14)	2,837	2,022	106	4,951
Share of losses from equity-accounted for associates	98	-	-	-	98
Reportable segment assets	2,641	26,264	14,010	17,203	60,118
Interest in associates	396	-	-	-	396
Reportable segment liabilities	2,079	6,324	4,111	(114)	12,400
Capital expenditures	182	529	83	-	794

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.

Advancer Global Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 2021

5. Disaggregation of Revenue

	<u>2H2021</u> S\$'000	<u>2H2020</u> S\$'000	<u>Group</u> <u>FY2021</u> S\$'000	<u>FY2020</u> S\$'000
Service income (point in time)				
– Employment Services	2,984	1,798	6,551	5,522
– Building Management Services	3,355	2,957	6,753	4,735
– Security Services	(30)	33	21	47
	6,309	4,788	13,325	10,304
Service income (over time)				
– Employment Services	10	4	10	28
– Building Management Services	13,976	12,395	27,832	25,792
– Security Services	9,039	11,069	18,077	19,323
	23,025	23,468	45,919	45,143
Installation services (point in time)	201	137	204	243
Sales of goods (point in time)	660	395	684	701
	<u>30,195</u>	<u>28,788</u>	<u>60,132</u>	<u>56,391</u>

6. (Loss)/Profit before income tax

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

	<u>2H2021</u> S\$'000	<u>2H2020</u> S\$'000	<u>Group</u> <u>FY2021</u> S\$'000	<u>FY2020</u> S\$'000
<i>Included in other operating income:</i>				
Dividend income	27	12	53	12
Gain on bargain purchase arising from acquisition	152	325	245	325
Gain on disposal of property, plant and equipment, net	(2)	-	-	-
Government credit schemes and government grants	1,190	4,937	2,929	9,316
Rental income	23	24	55	44
Interest income from advances to subcontractors	5	4	9	9
Interest income from fixed deposits	37	90	74	236
Foreign exchange gain, net	-	5	*	5
Fair value gain arising from unquoted financial assets at FVTPL	-	12	-	12

*Denotes amount less than S\$1,000

Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 2021

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

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

	Group			
	<u>2H2021</u>	<u>2H2020</u>	<u>FY2021</u>	<u>FY2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Included in cost of sales:				
Cost of inventories recognised as an expense	(553)	(613)	(996)	(1,003)
Depreciation of right-of-use assets	(182)	(142)	(337)	(281)
Insurance	(216)	(109)	(507)	(274)
Expenses relating to short-term leases	(98)	(278)	(351)	(460)
Reversal of provision for warranties	1	-	1	1
Recruitment expenses	(887)	(414)	(2,152)	(1,827)
Staff costs (excluding key management personnel remuneration)	(16,969)	(15,454)	(32,868)	(29,070)
Subcontractors' fees	(3,361)	(4,826)	(7,760)	(8,888)
Included in administrative expenses:				
Advertising expenses	(101)	17	(238)	(138)
Amortisation of intangible assets	(129)	(152)	(281)	(279)
Bad debts written-off	(2)	(15)	(2)	(15)
Depreciation of property, plant and equipment	(282)	(285)	(587)	(529)
Depreciation of right-of-use assets	(644)	(695)	(1,343)	(1,404)
Directors' fees	(74)	(74)	(145)	(167)
Expenses relating to short-term leases	(86)	(113)	(153)	(249)
Expenses relating to low-value assets	(3)	-	(3)	(3)
Fair value loss arising from quoted financial assets at FVTPL	(299)	(6)	(363)	(9)
Fair value loss arising from unquoted financial assets at FVTPL	(486)	(12)	(486)	(12)
Impairment loss of goodwill	(1,619)	(145)	(1,619)	(145)
Insurance	(150)	(68)	(280)	(166)
Key management personnel remuneration	(2,065)	(2,619)	(4,267)	(4,574)
Reversal of loss allowance/(loss allowance) for receivables (trade), net	(26)	52	(85)	(104)
Loss on lease modification	-	(6)	(5)	(6)
Loss on disposal of property, plant and equipment	(6)	-	(6)	-
Property, plant and equipment written-off	(9)	(16)	(65)	(16)
Share option expenses	1	(2)	(1)	(8)
Staff costs (excluding key management personnel remuneration)	(3,947)	(3,628)	(7,890)	(7,466)
Included in finance expenses:				
Interest expenses on borrowing	(5)	(7)	(12)	(14)
Interest expenses on leases	(49)	(60)	(104)	(126)

Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 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>FY2021</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Subsidiaries				
Dividend income	-	-	600	3,470
Advances from a subsidiary	-	-	-	500
Advances to subsidiaries	-	-	-	150
Related parties				
Service income from related parties	12	42	-	-
Service income from associates	68	-	-	-
Purchases from non-controlling interests	46	404	-	-
Purchases from associates	127	23	-	-
Payment on behalf by related parties	380	333	-	-
Lease from related parties	77	73	-	-

8. Income tax credit

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>FY2021</u>	<u>FY2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Current income tax		
– Current financial year	23	34
– Under/(Over)-provision in prior financial years	11	(15)
	<u>34</u>	<u>19</u>
Deferred income tax		
– Origination and reversal of temporary differences	*	(45)
– Over-provision in prior financial years	(48)	(10)
	<u>(48)</u>	<u>(55)</u>
Total tax credit	<u>(14)</u>	<u>(36)</u>

*Denotes amount less than S\$1,000

9. Dividends

	<u>Group and Company</u>	
	<u>FY2021</u>	<u>FY2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Ordinary dividends paid:		
Interim tax-exempt (one-tier) dividend paid during FY2020: S\$0.0059 per share	-	1,483
Final tax-exempt (one-tier) dividend paid during FY2021: S\$0.0079 per share	<u>1,984</u>	<u>-</u>

Advancer Global Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the financial year ended 31 December 2021

10. Net Asset Value

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Net asset value (S\$'000)	<u>40,867</u>	<u>46,920</u>	<u>40,526</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>16.27</u>	<u>18.67</u>	<u>16.13</u>	<u>16.91</u>

11. Earnings per share

	Group	
	31 Dec 2021	31 Dec 2020
Earnings/(loss) for the purposes of basic and diluted earnings per share (profit for the financial year attributable to owners of the Company) (S\$'000)	(4,045)	4,525
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	<u>251,188</u>	<u>251,347</u>
Basic and diluted earnings per share (cents)	<u>(1.61)</u>	<u>1.80</u>

The basic and diluted earnings per share is the same as there were no potentially dilutive instruments as at 31 December 2021 and 31 December 2020.

As mentioned in the Company's financial results announcement for the half year end 30 June 2020 dated 12 August 2020, the 6,250,000 warrants expired on 16 May 2020 and were not exercised at expiry date.

Whilst there were 876,000 share options outstanding as at 31 December 2021 (31 December 2020: 908,000 share options), the share options were granted at an exercise price of S\$0.40 per share and are not considered to be dilutive for the financial year ended 31 December 2021 and 31 December 2020.

The weighted average number of ordinary shares for financial year ended 31 December 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.

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 FY2021, goodwill with carrying amount of S\$604,000 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"). A further consideration of up to S\$203,600 is payable by 31 January 2022. The Acquisition was completed on 2 February 2021 and the remaining consideration has been determined as S\$Nil in accordance with the sales and purchase agreement.

Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 2021

12. Goodwill on consolidation (Continued)

	<u>Group</u>	
	<u>31 Dec</u> <u>2021</u> <u>S\$'000</u>	<u>31 Dec</u> <u>2020</u> <u>S\$'000</u>
Cost:		
At 1 January	5,440	5,585
Arising on acquisition of a subsidiary	604	-
Impairment loss	(1,619)	(145)
At end of financial year	<u>4,425</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. During the financial year ended 31 December 2021, an impairment loss of S\$1.6 million was recognised for goodwill relating to Premier Group, Country Cousin, and World Clean due to underperformance of the said companies.

Impairment loss of goodwill

	<u>Group</u>	
	<u>FY2021</u> <u>S\$'000</u>	<u>FY2020</u> <u>S\$'000</u>
Envirocare Landscape (S) Pte. Ltd.	-	145
Premier Group	1,489	-
Country Cousins	97	-
World Clean	33	-
	<u>1,619</u>	<u>145</u>

The carrying amount of goodwill had been allocated as follows:

	<u>Group</u>	
	<u>31 Dec</u> <u>2021</u> <u>S\$'000</u>	<u>31 Dec</u> <u>2020</u> <u>S\$'000</u>
Ashtree International Pte. Ltd.	115	115
Newman & Goh Property Consultants Pte Ltd	1,115	1,115
Newman & Associates Pte. Ltd.	66	66
PPMC Pte. Ltd	604	-
Premier Group	2,525	4,014
Country Cousins	-	97
World Clean	-	33
	<u>4,425</u>	<u>5,440</u>

Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 2021

13. Intangible assets

<u>Group</u>	<u>Customer contracts and contractual customer relationships⁽¹⁾</u> S\$'000	<u>Non-contractual customer relationships⁽²⁾</u> S\$'000	<u>Operation system, operational web portal and mobile application⁽³⁾</u> S\$'000	<u>Total</u> S\$'000
Cost				
At 1 January 2020	2,571	312	488	3,371
Addition	-	-	104	104
Addition of a subsidiary	-	50	-	50
At 31 December 2021	<u>2,571</u>	<u>362</u>	<u>592</u>	<u>3,525</u>
Accumulated amortisation				
At 1 January 2020	2,451	163	91	2,705
Amortisation for the financial year	120	49	112	281
At 31 December 2021	<u>2,571</u>	<u>212</u>	<u>203</u>	<u>2,986</u>
Carrying amount at 31 December 2021	<u>-</u>	<u>150</u>	<u>389</u>	<u>539</u>

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

(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, (ii) mobile application for cleaning services, (iii) a dashboard for property management services, and (iv) operation system for pest control services.

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>31 Dec 2021</u> S\$'000	<u>31 Dec 2020</u> S\$'000
Investments in subsidiaries, at cost	11,371	11,371
Deemed investment arising from employees share options provided to employees of subsidiaries	116	115
	<u>11,487</u>	<u>11,486</u>

14. Investments in subsidiaries (Continued)

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.

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

	Fair 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 fair value	<u>169</u>
Goodwill arising from acquisition	604
Intangible assets	50
Deferred tax liabilities	<u>(9)</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>

14. Investments in subsidiaries (Continued)

Transaction costs

No transaction costs related to the acquisition was recognised in the Group's profit or loss for the financial year ended 31 December 2021.

Goodwill arising from acquisition

Goodwill of S\$604,000 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.

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 Further Consideration has been determined as S\$Nil.

Impact of the acquisition on profit or loss

From the date of acquisition, PPMC had contributed revenue of S\$279,000 and profit after tax of S\$97,000 to the revenue and the loss after tax of the Group respectively during the financial year ended 31 December 2021. All on-going contracts of PPMC have been novated to NGPC during FY2021.

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.

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

	Fair value recognised on acquisition 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 fair value	<u>845</u>
Bargain purchase arising from acquisition	<u>(245)</u>
Total consideration	<u><u>600</u></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>

Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 2021

14. Investments in subsidiaries (Continued)

Acquisition of HBA (Continued)

Transaction costs

No transaction costs related to the acquisition was recognised in the Group's profit or loss for the financial year ended 31 December 2021.

Gain on bargain purchase arising from acquisition

Gain on bargain purchase of S\$245,000 arising from the acquisition was mainly due to fair value of the identifiable net assets as at the acquisition date.

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 revenue of S\$726,000 and loss after tax of S\$23,000 to the revenue and the loss after tax of the Group respectively during the financial year ended 31 December 2021. Most of on-going contracts of HBA have been novated to SRE during FY2021.

Acquisition of non-controlling interests in investment in a subsidiary- Country Cousins

On 2 August 2021, AGF acquired an additional 24% equity interest in Country Cousins comprising 12,000 ordinary shares from its non-controlling interests for a cash consideration of S\$60,000. As a result of this additional acquisition, Country Cousins became a wholly-owned subsidiary of the Group.

Additional investment in a subsidiary-AGSI

On 30 December 2021, Advancer Global Security Pte. Ltd. ("AGS"), a wholly-owned subsidiary of the Company, increased its issued and paid-up capital in its 70%-owned subsidiary, AGS Integration Pte. Ltd. ("AGSI"), from S\$600,000 comprising 600,000 ordinary shares to S\$1,200,000 comprising 1,200,000 ordinary shares through the allotment and issuance of 600,000 ordinary shares of S\$1 per share by way of capitalisation of advances payable by AGSI to AGS amounting to S\$420,000.

15. Investments in associates

	Group	
	<u>31 Dec</u> <u>2021</u> S\$'000	<u>31 Dec</u> <u>2020</u> S\$'000
Investments in associates, at cost	516	516
Additions	180	-
Share of associates' results	(300)	(120)
Carrying amount	<u>396</u>	<u>396</u>

On 15 January 2021, AGS 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\$183,000 (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.

Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 2021

16. Other investments

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>31 Dec</u> <u>2021</u> <u>S\$'000</u>	<u>31 Dec</u> <u>2020</u> <u>S\$'000</u>	<u>31 Dec</u> <u>2021</u> <u>S\$'000</u>	<u>31 Dec</u> <u>2020</u> <u>S\$'000</u>
<u>Non-current investments</u>					
<u>Financial assets held at FVTPL</u>					
Unquoted equity instruments – at FVTPL		125	624	-	-
<u>Current investments</u>					
<u>Financial assets held at FVTPL</u>					
Quoted equity instruments – at FVTPL		2,506	1,007	2,506	1,007
Total financial assets held at FVTPL		2,631	1,631	2,506	1,007
<u>Movement for unquoted equity instruments</u>					
At beginning of the year		624	-	-	-
Disposal	(a)	(13)	612	-	-
Fair value (loss)/gain recognised in PL		(486)	12	-	-
	(b)	<u>125</u>	<u>624</u>	<u>-</u>	<u>-</u>
<u>Movement for quoted equity instruments</u>					
At beginning of the year		1,007	-	1,007	-
Additions		2,342	1,016	2,342	1,016
Disposal		(480)	-	(480)	-
Fair value loss recognised in PL	(c)	(363)	(9)	(363)	(9)
		<u>2,506</u>	<u>1,007</u>	<u>2,506</u>	<u>1,007</u>

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 31 December 2021, the investments in unquoted equity instruments classified at FVTPL relates to the Investment in Zhe Jiang Zhi Wu Hui Yun Technology Co. Ltd., 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.

As at 31 December 2021, the fair value of the equity instrument was determined based on net assets of the investee. The carrying amounts of most assets and liabilities of the investee approximate their respective fair value due to relative short-term maturity of these assets and liabilities.

The investment amount is denominated in Chinese Renminbi.

Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 2021

16. Other investments (Continued)

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 year.

17. Property, plant and equipment

During the financial year, the Group acquired assets amounting to \$422,000 (31 December 2020: \$460,000) and disposed assets with carrying amount of S\$124,000 (31 December 2020: S\$2,000)

18. Financial assets and financial liabilities

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

	<u>Group</u>		<u>Company</u>	
	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Financial assets at FVTPL</i>				
Unquoted equity instruments	125	624	-	-
Quoted equity instruments	2,506	1,007	2,506	1,007
Total	<u>2,631</u>	<u>1,631</u>	<u>2,506</u>	<u>1,007</u>
<i>Financial assets at amortised cost</i>				
Trade and other receivables	14,679	18,659	11,008	14,365
Less: Advances to recruiters and suppliers	(428)	(626)	-	-
Less: Deferred cost	(119)	(155)	-	-
Less: Prepayments	(375)	(309)	(6)	(7)
	<u>13,757</u>	<u>17,569</u>	<u>11,002</u>	<u>14,358</u>
Cash and cash equivalents	24,797	27,617	15,620	16,182
Total	<u>38,554</u>	<u>45,186</u>	<u>26,622</u>	<u>30,540</u>
<i>Financial liabilities</i>				
Trade and other payables	6,654	8,205	85	547
Less: Deferred income	(362)	(774)	-	-
	<u>6,292</u>	<u>7,431</u>	<u>85</u>	<u>547</u>
Lease liabilities	2,040	2,601	-	-
Bank borrowing	562	592	-	-
Total	<u>8,894</u>	<u>10,624</u>	<u>85</u>	<u>547</u>

Other receivables include loan receivable from an associate G3 of S\$2.5 million which are unsecured, interest-free and repayable on demand. No allowance for impairment has been recognised as at 31 December 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 12 months from 28 February 2022. 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.

Advancer Global Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the financial year ended 31 December 2021

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 31 December 2021	<u>252,363,591</u>	<u>40,607</u>

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	
	31 Dec 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 31 December 2021 and 31 December 2020.

20. Treasury shares

	Group and Company			
	31 Dec 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 year	<u>79</u>	<u>9</u>	<u>84</u>	<u>9</u>
At 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 year ended 31 December 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 31 December 2021, the number of treasury shares held by the Company, amounting to 1,177,900 represented 0.47% (31 December 2020: 1,099,000 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 FY2021 (FY2020: 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 financial year ended 31 December 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 31 December 2021, the only outstanding convertibles of the Company are the 876,000 share options which are convertible into 876,000 ordinary shares against 251,185,691 issued shares (excluding treasury shares). As at 31 December 2021, the number of shares that may be issued on conversion of all outstanding convertibles is 876,000 (31 December 2020: 908,000) ordinary shares against 251,185,691 issued shares (excluding treasury shares) (31 December 2020: 251,264,691).

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 2021</u>	<u>Exercise price per share (S\$)</u>	<u>Exercisable period</u>
20 April 2017	908,000	(32,000)	876,000	0.40	19 April 2019 to 19 April 2022

22. Borrowings

	<u>31 Dec 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	169	-	188	-
Amount repayable after one year	612	-	763	-
Total borrowings	<u>781</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 31 Dec 2021 can be reconciled as follows:

	<u>Group</u>	
	<u>31 Dec 2021 S\$'000</u>	<u>31 Dec 2020 S\$'000</u>
<u>Lease liabilities-non-current</u>		
Lease liabilities arising from operating lease	616	928
Lease liabilities arising from finance lease	82	201
	<u>698</u>	<u>1,129</u>
<u>Lease liabilities-current</u>		
Lease liabilities arising from operating lease	1,205	1,314
Lease liabilities arising from finance lease	137	158
	<u>1,342</u>	<u>1,472</u>

Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 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>	<u>Level 2</u>	<u>Level 3</u>
	\$'000	\$'000	\$'000
Financial assets:			
Financial assets at FVTPL			
- Unquoted equity instruments	-	-	125
- Quoted equity instruments	2,506	-	-
At 31 Dec 2021	<u>2,506</u>	<u>-</u>	<u>125</u>
Financial assets:			
Financial assets at FVTPL			
- Unquoted equity instruments	-	-	624
- Quoted equity instruments	1,007	-	-
At 31 Dec 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 4 February 2022, KH Security Pte. Ltd. ("KH"), an indirect wholly-owned subsidiary of the Company held through AGS, increased its issued and paid-up share capital by way of allotment and issuance of 750,000 new shares at S\$1.00 per share to AGS. Following the allotment and issuance of the new shares, KH's issued and paid-up share capital is S\$1,000,000 comprising of 1,000,000 ordinary shares and the percentage shareholding interest of the Company in KH remains the same as 100%.

On 7 February 2022, Green Management Pte. Ltd., an indirect wholly-owned subsidiary of the Company held through Advancer Global Facility Pte. Ltd. has been struck off from the Register of Companies pursuant to Section 344A of the Companies Act (Chapter 50) of Singapore.

24. Subsequent event after reporting date (Continued)

On 15 February 2022, SRE Global Pte. Ltd., a 82% indirectly owned subsidiary of the Company held through Advancer Global Facility Pte. Ltd., acquired 100% of the total issued and paid-up share capital of Propmag Management Services Pte Ltd and Propmag Property & Facility Pte. Ltd. from Pang Kok Sing Terence, Tan Chin Hwee Adeline and Pang Li Lian at the total consideration amounting to S\$1,030,000.

Other information required by Appendix 7C of the Catalist Rules

**Other information required by Appendix 7C of the Catalyst Rules
For the financial year ended 31 December 2021**

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

The condensed statements of financial position of Advancer Global Limited and its subsidiaries (the “Group”) as at 31 December 2021 and the related condensed interim consolidated statement of profit or loss and other comprehensive income for the six-months and financial year ended 31 December 2021, condensed statements of changes in equity and condensed consolidated statement of cash flows for the financial year ended 31 December 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 interim financial statements for the financial year ended 31 December 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.

The Singapore economy is slowly opening due to the relaxation of travel entry requirements and safe management measures. However, the changing environment and economic landscape because of COVID-19 will impact any recovery. Therein lies the fundamental need for the Group to re-think and re-position strategically to gain a stronger foothold and get ahead of the competition.

We have refreshed the Advancer’s brand, tagline and aligned subsidiaries’ brands to help customers recognise our service offerings as a Group and state our vision of enabling cities of the future upfront. The push to be the largest Managing Agent (MA), wider adoption of IFM services and moving customers to outcome-based contracts continue unabated.

Leveraging on innovation and technology are the key drivers for the Group since 2019 to alleviate the increasing manpower costs. The use of advanced analytics, curating big data and IOT technology to generate insights for customers to make better and faster decisions have opened new frontiers for the Group. To respond timely to market demands and to reduce the ‘time-to-market’, the Group is building an in-house team to add more functionalities to our smart FM solutions and to support our IFM penetration strategy by developing estate apps for residents and facility management apps for property managers.

Growth in vertical services had proven to be a viable pivot strategy in 2021 and the new revenue streams have offset some of the financial impacts due to COVID-19 on cleaning, stewarding, pest control, security and landscaping contracts. Looking ahead, the Group will focus on enhancing our vertical capabilities and increase market penetration by complementing our core value proposition.

**Other information required by Appendix 7C of the Catalist Rules
For the financial year ended 31 December 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)

Last year was a tumultuous period for Employment Services due to travel restrictions and safe management measures but better times ahead are expected. The Singapore government has started to gradually remove travel restrictions, reduced Stay Home Notice (SHN) and COVID testings, among others, since the last quarter of 2021. Even as more entry quotas for Migrant Domestic Workers (MDWs) are given, a key issue for the Group is to look at making the overall cost of employing an MDW more manageable for households.

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 year.

(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 to be a full year dividend of S\$0.0138 per share) was declared for the 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 year ended 31 December 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 financial year ended 31 December 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 15 February 2022 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	(2.74)	9.56
General corporate and working capital purposes of the Group, mainly to support administrative and operational expenses (Note (a))	5.44	(4.45)	0.99
Investment in money market instruments and/or quoted securities	4.00	(1.65)	2.35
	<u>21.74</u>	<u>(8.84)</u>	<u>12.90</u>

Note:

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

	<u>S\$'000</u>
Professional and listing related expenses	896
Administrative expenses – staff costs	507
Administrative expenses - others	77
Purchase of inventory for a subsidiary	170
Repayment of loan incurred by a subsidiary	300
Advances to subsidiaries for operational expenses	2,500
	<u>4,450</u>

Advancer Global Limited and its Subsidiaries

**Other information required by Appendix 7C of the Catalyst Rules
For the financial year ended 31 December 2021**

10. Breakdown of sales

	FY2021	FY2020	Increase/ (Decrease)
Revenue	S\$'000	S\$'000	%
(a) First half year	29,937	27,603	8.5
(b) Second half year	30,195	28,788	4.9
	<u>60,132</u>	<u>56,391</u>	6.6
(Loss)/Profit after tax before deducting non-controlling interests			
(a) First half year	(905)	2,017	N/M ⁽¹⁾
(b) Second half year	(3,140)	2,508	N/M ⁽¹⁾
	<u>(4,045)</u>	<u>4,525</u>	N/M ⁽¹⁾

Note:

(1) N/M – Not meaningful

11. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Group	FY2021	FY2020
	S\$	S\$
Ordinary dividend- interim	-	1,482,957
Ordinary dividend- final	-	1,984,367
	<u>-</u>	<u>3,467,324</u>

12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chin Chwee Hwa	67	Brother of Chin Mui Hiong and Chin Mei Yang, the directors and controlling shareholders of the Company	Director of World Clean Facility Services Pte. Ltd. since 12 July 2005.	Nil
James Chin Yee Hong	36	Son of Chin Swee Siew @ Chen Yin Siew, the substantial shareholder of the Company and Head of Employment Services Business of the Group	(1) Operations manager of First Stewards Private Limited and Master Clean Facility Services Pte. Ltd. and is involved in day-today operations. (2) Director of Nation Human Resources Pte. Ltd.	Nil

13. Disclosures pursuant to Rule 706A of the Catalist Rules

Please refer to (i) Company's announcements dated 8 January 2021 in relation to the disposal of 15% issued and paid-up share capital of Advancer Smart Technology Pte. Ltd.; (ii) Company's announcement dated 15 January 2021 in relation to the acquisition of 45% shares in Eazable; (iii) the Company's announcements dated 1 February 2021 and 2 February 2021 in relation to the acquisition of 100% of the total issued and paid-up share capital of PPMC; (iv) the Company's announcement dated 1 February 2021 in relation to the disposal of 10% shares in Beijing Singapore Technology & Facility Management Co., Ltd.; (v) the Company's announcements dated 7 May 2021 and 12 May 2021 in relation to the acquisition of 100% issued and paid-up capital of HBA; and (vi) the Company's announcement dated 2 August 2021 in relation to the acquisition of remaining 24% shares in Country Cousins Pte. Ltd..

14. 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 financial year ended 31 December 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Teck Chai, Danny
Independent Non-Executive Chairman
28 February 2022

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