



# PERFORMING AND TRANSFORMING

ANNUAL REPORT 2021

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	PROXY FORM

This Annual Report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**").

This Annual Report has not been examined or approved by the Singapore Exchange Trading Limited ("**Exchange**") and the Exchange assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

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.





**Advancer Global's Vision is to be the pre-eminent solutions provider, known for our technology innovations, professional and excellent services and best practices.**

**Advancer Global Limited (前进集团有限公司)** and together with its subsidiaries and associated companies ("**Advancer Global**" or the "**Group**"), is a leading integrated solutions provider that specialises in providing workforce solutions and facilities management services.

The Group has two core business segments:

- (1) Employment Services division, and
- (2) Facilities Management Services division which encompasses the Building Management Services and Security Services.

The Group operates its employment services business under **Advancer Global Manpower**. Through its established brands, "Nation", Advancer Global Manpower provides integrated and comprehensive employment solutions and services including sourcing, recruitment, training and deployment of foreign domestic workers to households. The Group has also expanded to provide staffing and recruitment services to corporations in Japan through our associated company, Fullcast International Co. , Ltd.

Our broad-based facilities management services under **Advancer Global Facility** include cleaning and stewarding, property and facility management, property valuation, pest control and fumigation, waste management and recycling, landscaping and aquascaping. These business divisions allow Advancer Global Facility to provide a holistic and integrated facilities management solution to serve the diverse needs of our customers across residential and commercial properties, schools, hospitals and hotels.

Another strategic business segment is the provision of security services under **Advancer Global Security**. Through its established subsidiaries, the Group provides manpower and smart security solutions integrated with technology to residential, commercial and industrial properties as well as security consultancy services, security related training and traffic control services.

The Group's competitive edge lies in its dedication and successful integration of its diverse offerings of workforce solutions and staffing services across its three main business categories, allowing the Group to deliver a customised holistic suite of solutions and services for our customers.

Advancer Global is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 11 July 2016 under stock code 43Q.

More information can be found on our website at <https://advancer.sg>.



# LETTER TO SHAREHOLDERS

## DEAR SHAREHOLDERS,

The much-anticipated economic recovery from the effects of COVID-19 did not happen quite as expected in 2021 when mutated strains, Delta and Omicron, along with other challenges such as rising inflation and manpower costs, continued to disrupt businesses on all fronts.

As the vaccination rate in Singapore is among the highest in the world, the government has now adopted 'living with COVID-19 as a strategy to re-open borders such as the Vaccinated Travel Lanes ("VTL"), easing of quarantine rules and social curbs.

### The Year in Review

In the financial year 2021, Advancer Global continued to work towards re-growing our business segments and improving the Group's overall performance.

By pivoting and capturing opportunities through vertical growth, the financial gains had offset some of the negative impact resulting from the suspension of contracts by customers in the stewarding, landscaping, general pest controls and security business segments.

Two years ago, the Group has set its sight on becoming a leading Integrated Facility Management ("IFM") solutions provider and the acquisition of two property companies last year helped seed the ground and moved us closer to our goal. The Group is now one of the largest Managing Agents ("MA") in Singapore based on the expanded portfolio of around 200 properties, comprising residential, commercial, and industrial buildings under our management.

The Employment Services segment experienced a tumultuous period alongside heightened measures to keep out imported infections. Entry quotas for Migrant Domestic Workers ("MDWs") were hard to come by and even our participation in the Pilot Programme in July 2021 to bring in pre-tested MDWs quarantined in their home countries before entering Singapore has done little to ease the pent-up demand. Moreover, employers had to contend with the extra costs incurred for these pre-entry requirements which made the hiring of domestic helpers beyond the reach of some employers. Despite the reduced supply, the Group continued to position Employment Services at the forefront such as being the first to initiate Antigen Rapid

Tests ("ART") for MDWs at the boarding house and led discussions with the Ministry of Manpower to find solutions to ease the shortage and reduce the financial liabilities of employers.

### Operating Results

Despite the easing of safe management measures on the back of a less deadly Omicron variant and high vaccination rate among the population, Group's business was negatively impacted. The Group reported a net loss of S\$4.1 million in FY2021 compared to a net profit of S\$5.0 million in FY2020. This is despite a marginal 6.6 percent increase in the Group's total revenue, from S\$56.4 million in FY2020 to S\$60.1 million in FY2021. Cost of sales increased from S\$43.5 million in FY2020 to S\$46.7 million in FY2021, and gross profit increased to S\$13.4 million in FY2021 compared to S\$12.9 million in FY2020. The negative results were also a result of a significant decrease in other operating income, from S\$10.0 million in FY2020 to S\$3.5 million in FY2021, mainly due to the decrease in the amount from government grant and credit schemes and other relief subsidies in relation to COVID-19.

There will be no dividend declared for FY2021.

### Staying Ahead of the Competition

The Group has had some relative success after embarking on the 'pivot' pathway since 2020-21. But it is still unclear how the COVID-19 virus will evolve, what medical breakthroughs are there to find a cure or treatment, and the threats posed to both the environment and economy.

Any turnaround requires innovation, reimagining the business model and building a cohesive team to move forward together with one common goal in mind. Advancer Global's group of companies are solutions providers in their respective domains, and they also provide supportive IFM services. We need to step up and work together collaboratively and in tandem to position Advancer Global as a credible IFM service provider.

It is with this purpose that the Group set about to revitalise and align subsidiaries' brands under the umbrella of the Advancer Global's brand to help customers recognise our service offerings as



a group and state our vision of ‘Enabling Cities of the Future’ as the tagline upfront.

The Group has set up a new business development team under the Building Management business segment to enhance IFM market penetration directly under the Group’s branding and encapsulate the management’s vision and focus. Immersive market surveys with various customers’ profiles have allowed us to gain insights on their key differentiating factors and considerations when evaluating MAs that best meet their estate needs. Leveraging on the inherent strengths of our MA subsidiaries, their domain knowledge, track record as well as long-term business relationships with asset owners, the Group can look forward with confidence to grow our IFM business in the coming years.

The COVID-19 crisis has fast-paced the use of digital, IoT technology, big data, and advanced analytics in almost everything we do. Our move to develop smart IFM solutions in the past two to three years has led the way for the Group to value add to our service offerings in our IFM market penetration strategy. Our Smart Toilet Systems have proven to be effective solutions to help our customers make informed decisions, improve productivity, and achieve cost optimisation. It has also opened new frontiers for the Group in other functional areas such as deployment in smart buildings to support their climate change initiatives. The Group is building an in-house development team to enhance our other smart IFM solutions such as estate apps for residents and facility management apps for property managers to ensure faster response to market demands and reduce the ‘time-to-market’.

On Employment Services, the perceptions of household owners gathered through immersive interviews and customer service surveys have affirmed our reputation as a credible source in their search for MDWs. The crisis-related disruptions such as new entry requirements, procedures in quarantine and COVID-19 tests have endeared many customers to our employment agency subsidiary and left all pre-employment matters in the hands of the largest agency in Singapore. The Group stays committed in our endeavours to find the best solutions to alleviate the supply crunch and provide as much assistance to relieve the burden of finding suitable MDWs for employers’ households. With the introduction of VTLs and reduced quarantine period and tests

requirements, we can look forward to bright days ahead for the industry.

Lastly, we continue to nurture talent and provide them with upgrading opportunities to better equip them with competencies and relevant knowledge to deliver high-quality service and build trusting relationships when engaging our existing and potential customers.

## Acknowledgement

“Enabling Cities of the Future” is key to the Group’s business growth, and we appreciate the support of all stakeholders, including management, employees, business partners and all customers and for their trust and confidence in us. We would like to acknowledge the contributions and valuable guidance from our Board members in the last 12 months. We welcome onboard our new Independent Director Mr. Shamsul Kamar bin Mohamed Razali, PBM, who joined us on 1 June 2021 and look forward to his counsel and advice as well as his experience with the National Trades’ Union Congress and Grassroots Organisation in the years ahead.

### Danny Lim

*Independent Non-Executive Chairman*

### Gary Chin

*Chief Executive Officer and Executive Director*

## OUR BUSINESS MODEL

Advancer Global's business model and value proposition lie in high-touch and dedicated workforce solutions and services, infused with technology enhancement to provide its wide base of customers with well-trained manpower, greater convenience, faster responses, and higher mobility. Sensors development, machine learning and data analysis enable the Group to turn enormous amounts of unstructured data captured through daily operations into decisions that permit operational efficiencies and effectiveness in the most economical manner.

Advancer Global is organised into two main business divisions: (i) Employment Services; and (ii) Facilities Management Services which encompasses the Building Management Services and Security Services.

### Employment Services

Operating under an established brand name 'Nation', the Group maintained its position as one of the leading employment agencies for the sourcing, recruitment, training, and deployment of MDWs to Singapore households. Advancer Global's dedication to servicing its customers' needs has enabled it to build strong relationships with its customers, which is evidenced by numerous referrals from its existing customers and tens of thousands placements since Nation's inception nearly 30 years ago.

In the early half of the financial year under review, Employment Services continued to face a reduced supply of MDWs with the extended border restrictions in Singapore and the source countries. As the number of infection cases rose, the additional measures to minimise the risk of imported infections imposed by the Singapore Government hit the pockets of employers the most. The average package fee for hiring an MDW included accommodation for Stay Home Notice ("SHN"), multiple COVID-19 tests, additional insurance coverage and other expenses. The limited supply of transfer helpers did not provide any relief to the pent-up demand.

In July 2021, Nation was one of the four key members in formulating an industry-led Pilot Programme to bring in MDWs who underwent the required 14 days-COVID-19 SHN and tests in their home countries before departing to Singapore. However, employers who hired this group of MDWs had to bear the additional costs.

It was only towards the third quarter of 2021 that travel restrictions were gradually removed,

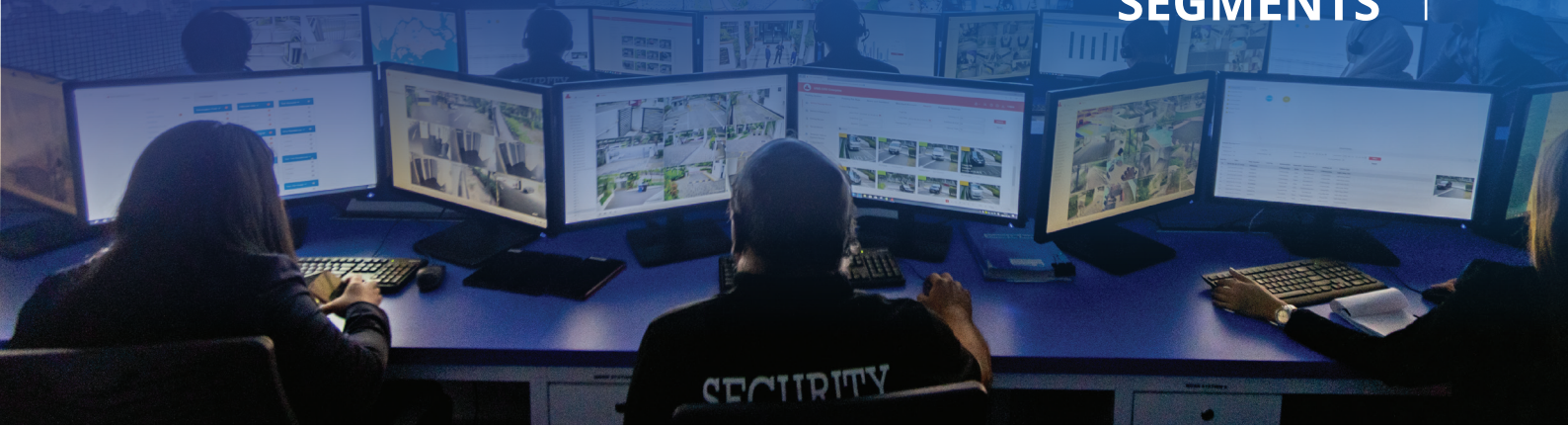
and VTLs were introduced when the new mutated variant Omicron was found to be less deadly and high vaccinated rates among the population were achieved. More relaxed measures such as the reduced SHN requirements from 14 days to 7 days and allowing the use of ART for pre-departure self-tests helped Employment Services to recover as more MDWs were allowed to enter Singapore quarantine-free. The overall costs also became more manageable for employers.

### Building Management Services

The momentum to enhance our presence in the IFM industry continued into the financial year under review. The growth was accelerated with the acquisition of two property companies in FY2021 which resulted in an expanded portfolio of residential, commercial, and industrial properties under our management. Advancer Global is now one of the largest MAs in Singapore with around 200 properties under our management.

Supporting the IFM growth strategy are a comprehensive suite of solutions offered by Advancer Global's subsidiaries and associated companies. These include:

- (i) cleaning and stewarding services (namely Master Clean Facility Services Pte. Ltd., World Clean Facility Services Pte. Ltd. and First Stewards Private Limited and Advancer Smart Technology Pte. Ltd.);
- (ii) property consultancy, property and facilities management services (Newman & Goh Property Consultants Pte Ltd, Newman & Associates Pte. Ltd., SRE Global Pte. Ltd., HBA Group Property Consultants Pte. Ltd. and Our Express Pte. Ltd.);
- (iii) specialised pest control services such as fumigation, elimination of pest infestations and disinfection services (Premier Eco-Care Pte. Ltd. and Prestige International Management Pte. Ltd.);
- (iv) gardening, landscaping and aquascaping (Country Cousins Pte. Ltd.); and
- (v) waste management and recycling solutions (TEE Environmental Pte. Ltd., TEE Recycling Pte. Ltd. and Envotek Engineering Pte. Ltd.).



While our subsidiaries in the Building Management Services segment were able to maintain sustainability by pivoting to vertical growth, the lingering effects of COVID-19 on our customers continued to affect our revenue streams. The decrease in service income from stewarding services, gardening, and landscaping as well as general pest control work negated any increase in demand for disinfection and fumigation services.

The absence of levy rebates for employment pass holders and increase in the average wages to meet the requirements of the Progressive Wage Model under the Cleaning Business License scheme were among some of the expenses that pushed operating costs to higher levels than expected.

Amidst a slower than expected economic recovery, there is a silver lining in Advancer Global's pursuit of technology-driven initiatives that started prior to the COVID-19 crisis. Our smart toilet and sensor systems which leveraged on big data analytics and IoT technology have gained acceptance by property and Facilities Management ("FM") owners after proven to be cost-effective solutions to optimise productivity and resources. More exciting prospects await the Smart FM team as they work diligently to incorporate artificial intelligence solutions to smart buildings and help asset owners to reduce carbon footprint and harness solar energy in response to climate change.

Meanwhile, the Advancer Managing Agent Partnership Programme ("AMAP") which started in 2020 has cross-trained 4 batches of trainees to get them ready to support Advancer Global's goal to be a leading IFM provider. The immersive training ensures that each staff is equipped with the skills necessary in managing an estate which includes domain knowledge in security, pest control and cleaning as well as lifestyle skills such as communications and time management.

## Security Services

Advancer Global's Security Services segment offers integrated comprehensive security solutions built around advanced technology, security advisory and consultancy, security related training, and well-trained security officers through subsidiaries and associated company namely KH Security Agency Pte. Ltd., KH Security Pte. Ltd., Ashtree International Pte. Ltd., AGS Integration Pte. Ltd. and Eazable Pte. Ltd..

Since the COVID-19 virus mutated to the less deadly Omicron strain, the need to quarantine infected patients for medical treatment became less imminent and stay home isolation is implemented to reduce the stress on the Singapore healthcare system. As a result, some community care facilities were wound down, and this has inevitably affected the service income of our security subsidiaries.

However, a new service in traffic management control introduced as part of our pivot strategy in 2020 has given us a first-mover advantage. One of our security subsidiaries has seen an update in the demand for traffic marshals for work sites and construction projects.

Manpower shortage continued to be a perennial problem when local Singaporeans do not see this as a viable career path and migrant workers from across the Causeway chose to stay in their hometowns due to the high cost of living in Singapore. The Progressive Wage Model and training requirements are other factors that threaten the sustainability of our security subsidiaries.



# CORPORATE SOCIAL RESPONSIBILITY

As a corporate citizen, Advancer Global firmly believes in contributing meaningfully to the communities and environment where we operate. Besides corporate giving, our outreach initiatives support social causes and champion advocacy projects. We encourage our employees to make a positive impact on the community by volunteering and partaking in community service events.

## Advocacy Projects

Advancer Global continues to be an ardent advocate for fair treatment and empowerment of MDWs to lead meaningful lives during their employment in Singapore. MDWs that were deployed by us and who encountered dire distress were provided with the necessary support such as counselling and working together with the Centre for Domestic Employees (CDE) and Foreign Domestic Worker Association for Social Support and Training (FAST) to resolve their issues. We are also supportive of engagement activities organised by the two non-profit organisations for domestic employees to achieve better social integration and upskill training programmes so they can value-add to the workplace. Our Executive Director, Mr. Desmond Chin, sits on the Board of Trustee of the Domestic Employees Welfare Fund set up by the National Trades Union Congress (NTUC) to improve the lives of domestic employees in Singapore.



Thanking the cleaners in her speech was Ms. Sim Ann, Senior Minister of State, Ministry of Foreign Affairs & Ministry of National Development and MP for Holland-Bukit Timah GRC at University Road Park and Playground.



Posing with representatives from the cleaning industry were Ms. Sim Ann (first row: 2nd from left), Mr. Desmond Chin, Advancer Global Executive Director (1st row: 3rd from left) and Mr. Brian Tan, Director, Advancer Global Group Human Resources and Corporate Affairs (2nd row, 2nd from right).

## Community Engagement

### SG Clean Day

25 April 2021

As a service provider in the cleaning and stewarding business sectors, Advancer Global knows first-hand the hard work involved to upkeep safety and hygiene at homes, workplaces, and public spaces. Being an essential service during the COVID-19 crisis in 2020-21, cleaners have worked tirelessly alongside other frontline heroes such as medical professionals and nurses in the fight to minimise the risk of transmission while most people stayed home. Supporting the 'SG Clean Day' is our way to recognise the contributions of cleaners and the role they play in our community. Held on 25 April 2021, the inaugural SG Clean Day was the initiative of the Public Hygiene Council in partnership with 17 Town Councils.

Our senior management staff spent the day distributing goodies bags to cleaners in the Holland-GRC vicinity with Ms Sim Ann, Senior Minister of State, Ministry of Foreign Affairs & Ministry of National Development and the Member of Parliament for the constituency.

# FINANCIAL HIGHLIGHTS

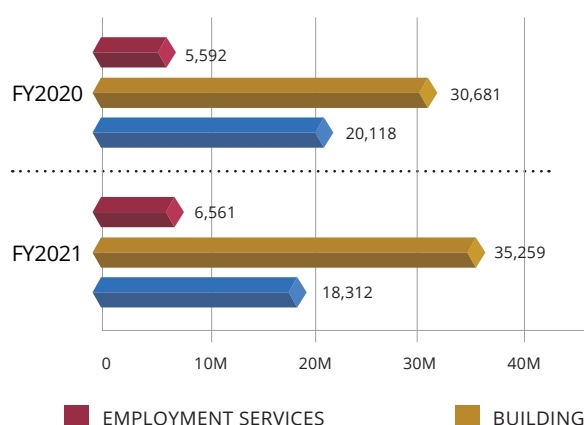
## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

Income Statement (S\$'000)	2021	2020
Revenue	60,132	56,391
Gross profit	13,431	12,873
(Loss)/Profit before tax	(4,126)	4,951
(Loss)/Profit attributable to owners of the Company	(4,045)	4,525
Balance Sheet (S\$'000)		
Shareholders' equity	40,867	46,920
Total assets	52,059	60,118
Total liabilities	10,506	12,400
Net asset value	40,867	46,920
Net tangible asset value	35,903	40,814
Cash and bank balances	24,797	27,617
Net loans and borrowing	Net Cash	Net Cash
Per Share (Singapore Cents)		
Basic (losses)/earnings <sup>(1)</sup>	(1.61)	1.80
Net asset value <sup>(2)</sup>	16.27	18.67
Net tangible asset value <sup>(2)</sup>	14.29	16.24
Dividends <sup>(2)(3)</sup>	-	1.38
Financial Ratios		
Return on equity	(9.90%)	9.64%
Return on assets	(7.21%)	7.78%
Dividend payout ratio	-	76.6%

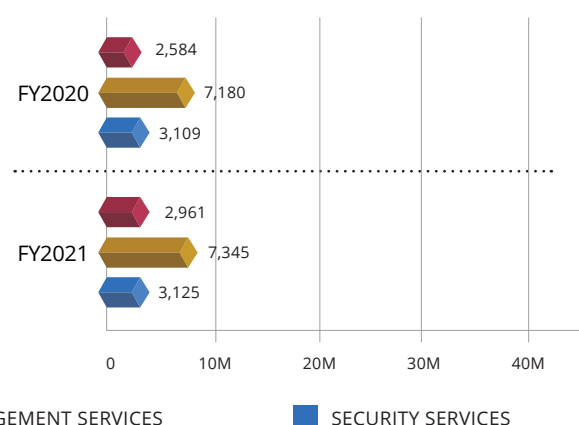
Notes:

- (1) For illustrative purposes, basic earnings per share was computed based on the weighted average number of ordinary shares of 281,346,538 for FY2020 and 251,188,096 for FY2021, respectively.
- (2) For illustration purposes, net asset value per share, net tangible asset per share and dividends per share were computed based on the number of Company's ordinary shares (excluding treasury shares) of 251,264,691 and 251,185,691 at the end of FY2020 and FY2021 respectively.
- (3) No dividends were declared or recommended for FY2021.

**Revenue by Business Segments**  
6.6%  
YoY Growth



**Gross Profit by Business Segments**  
4.3%  
YoY Growth



# PERFORMANCE REVIEW

## REVENUE

The Group's revenue increased marginally by S\$3.7 million or 6.6% from S\$56.4 million in FY2020 to S\$60.1 million in FY2021 due to the increase in revenue in Employment Services and Building Management Services but offset by a decline in revenue in Security Services. The reasons for the increase of revenue are as follows:

### Employment Services

Revenue from the Employment Services segment increased by S\$1.0 million from S\$5.6 million recognised in FY2020 to S\$6.6 million recognised in FY2021. For FY2021, there was a substantial reduction in the number of MDWs entering Singapore due to the border restrictions and stringent safe management measures such as Stay Home Notice and mandatory COVID-19 tests. The additional costs were borne by employers, resulting in an increase in the package fees. The competitive market for transfer maids and reluctance of existing employers to release their helpers without replacements, has also curtailed the number of MDWs we deployed to households.

### Building Management Services

Revenue from the Building Management Services segment increased by S\$4.6 million from S\$30.7 million recognised in FY2020 to S\$35.3 million recognised in FY2021. The increase was 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 segment decreased by S\$1.8 million from S\$20.1 million recognised in FY2020 to S\$18.3 million recognised in FY2021. The decrease was due to the completion of an airport security project in early 2021 and reduced service income from the closure of some community care facilities and sale and installation of security equipment.

## COST OF SALES

The increase in the Group's 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. This was mainly due to:

### Employment Services Business

Increase in cost of sales by approximately S\$0.6 million due to increase in (a) accommodation expenses for MDWs who are required to serve SHN, (b) insurance expenses and (c) recruitment costs paid (or payable) to overseas recruiters incurred to comply with the 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 work pass holders, (b) increase in average wage paid to cleaners to meet the requirement of the 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 fees incurred by New Subsidiaries for property valuation services.

### Security Services Business

Decrease in cost of sales by approximately S\$1.8 million was due to a decrease in subcontractors' fees and the sale of security systems sold which was in line with the decrease in revenue.



## GROSS PROFIT

As a result of the foregoing, gross profit increased by S\$0.6 million from S\$12.9 million in FY2020 to S\$13.4 million in FY2021, which was mainly due to the increase in gross profit from Employment Services and Security Services segments. The Group's gross profit margin was at 22.8% in FY2020 and 22.3% in FY2021.

## OTHER OPERATING INCOME

The Groups' other operating income decreased by S\$6.5 million from S\$10.0 million in FY2020 to S\$3.5 million in FY2021. This was mainly due decrease in (a) the amount from government grant and credit scheme and other relief subsidies in relation to COVID-19 because 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) the absence of 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.

## ADMINISTRATIVE EXPENSES

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 the Group's property, plant and equipment arising from the increase in capital expenditure in 2H2020 related to the 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. ("ZWHY"), a company incorporated in People's Republic of China, held through Advancer Smart Technology Pte. Ltd., which is an 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.

# PERFORMANCE REVIEW

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.

## FINANCE EXPENSES

Finance expenses decreased by S\$24,000 mainly due to the decrease in interest expenses on lease liabilities.

## SHARE OF LOSSES FROM EQUITY-ACCOUNTED FOR ASSOCIATES

The Group recorded share of loss of S\$208,000 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**").

## LOSSES FOR THE FINANCIAL YEAR

Income tax credit decreased mainly due to the reduced amount of government grants and credit schemes because of the revisions made to the schemes. The Group's recorded a loss of S\$4.1 million in FY2021 compared to a profit after tax of S\$5.0 million in FY2020.

## 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, 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 year.

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.

## 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 Beijing Singapore Technology & Facility Management Co., Ltd. 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.

## 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 ZWHY, 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 IoT sensors.

## 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.





# PERFORMANCE REVIEW

## NET ASSET VALUE

Net asset value of the Group decreased by S\$6.0 million from S\$46.9 million as at 31 December 2020 to S\$40.9 million as at 31 December 2021 due to the reasons set out above.

## REVIEW OF GROUP'S CASH FLOWS

### NET CASH GENERATED FROM OPERATING ACTIVITIES

The Group's net cash generated from operating activities amounted to S\$4.1 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\$3.5 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\$1.0 million as well as payment of income tax of S\$0.1 million.

### NET CASH USED IN INVESTING ACTIVITIES

Net cash used in investing activities amounted to S\$2.8 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 and repayment by an associate, G3 Environmental Private Limited of S\$0.8 million.

### NET CASH USED IN FINANCING ACTIVITIES

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.





## **DANNY LIM**

*Independent Non-Executive Chairman*

Mr. Danny Lim was appointed to the Board on 31 December 2019 and is the Independent Non-Executive Chairman of the Company.

Mr. Danny Lim joined Rajah & Tann Singapore LLP in 1998 and is currently a Partner in the Capital Markets and Mergers & Acquisitions Practice Group, advising on all aspects of corporate legal advisory and transactional work, both locally and regionally. His experience covers acquisitions, investments, takeovers, initial public offerings, corporate restructurings and reorganisations, amongst others, and his clients include multi-national companies, small and medium enterprises, private equity and institutional investors, Singapore and foreign listed companies as well as financial institutions and others.

Mr. Danny Lim graduated from the National University of Singapore with a Bachelor of Law (Honours) degree and a Master of Science (Applied Finance) from the Nanyang Technological University. He has been admitted as an advocate and solicitor of the Supreme Court of Singapore since 1999.

Mr. Danny Lim is currently an independent director of Kimly Limited, Choo Chiang Holdings Ltd, Stamford Land Corporation Ltd, and Valuemax Group Limited. He is a member of the Law Society of Singapore and the Singapore Academy of Law.



## **GARY CHIN**

*Executive Director and Chief Executive Officer ("CEO")*

Mr. Gary Chin was appointed to the Board on 2 February 2016 and is the Executive Director and CEO of the Company.

Mr. Gary Chin has more than 20 years of experience in the Employment Services and Facilities Management Business and is responsible for the overall administration, operation and development of the Group, as well as the key liaison with relevant authorities.

He has held various executive positions in the employment services business sector since he began his career in 1996. He was tasked with spearheading business growth through acquisitions and mergers to achieve strategic, business and financial objectives. In 2009, he was appointed as the Director of Nation Employment Pte Ltd. Throughout the years, he successfully negotiated and formed strategic alliances with business partners, both locally and overseas. He was also able to synergise various business units to improve business efficiency, create complementary businesses, and achieve greater competitive advantage.

At Advancer Global Limited, he leads the acceleration of its business strategy for organic and vertical growth in the Facilities Management Services Division. He strongly believes in value creation through innovation and technology and via the integrated facility management model to bring the Group to the next phase of continued sustainable growth.

Mr. Gary Chin graduated with a Bachelor of Electrical & Electronic Engineering (Hons) from the University of Aberdeen, Scotland in 1995.

# BOARD OF DIRECTORS



## DESMOND CHIN

*Executive Director*

Mr. Desmond Chin was appointed to the Board on 9 June 2016 as our Executive Chairman and was re-designated to Executive Director on 31 Dec 2019.

Mr. Desmond Chin has over 20 years of experience in the employment services business and has been instrumental in spearheading the growth and development of our Group since 1992. He was responsible for ensuring the effective operations of our Group and the Board of Directors. From 1990 to 1992, Mr. Desmond Chin worked at UMW Engineering Ltd, where he was involved in the sale of auto retriever systems for store management, and Suntze Communication Engineering Pte Ltd, where he was involved in the sale of computer and peripheral devices and IT network solutions. In 1992, Mr. Desmond Chin co-founded Nation Employment Agency, to offer employment services in Singapore. In 1994, Nation Employment Agency partnership ceased and Nation Employment Pte Ltd was incorporated to offer the same services.

He currently services as a member of the Board of Trustees of the Domestic Employees Welfare Fund, an initiative of the National Trade Union Congress.

Mr. Desmond Chin graduated with a Bachelor of Engineering from the National University of Singapore in 1990 and subsequently obtained a Master of Business Administration from the National University of Singapore in 2012.



## ONG ENG TIANG

*Executive Director*

Mr. Ong Eng Tiang was appointed to the Board on 9 June 2016 as our Executive Director.

Mr. Ong Eng Tiang is the Executive Director and Head of Building Management and Security Services of the Group. He has an aggregate of more than 20 years of experience in the cleaning and stewarding services and the security services business segments. He is responsible for heading the Group's Facilities Management Services division as well as overseeing the daily operations which include marketing strategies, manpower deployment and cash flow management.

Mr. Ong Eng Tiang began his career at Intrapac Investments Ltd. as a marketing executive in 1994, where he serviced major customer accounts and coordinated with the paper mills in Singapore and Malaysia for order requirements and shipment arrangements. From 1995 to 1998, he joined Muda Packaging Industries (Qing Yuan) Ltd. as a marketing manager, where he was responsible for the Marketing Department. In 1998, Mr. Ong Eng Tiang joined United Paper Industries Pte. Ltd. as an assistant sales manager and rose through the ranks to become its deputy marketing manager in 1999. In 2001, he joined First Stewards Private Limited ("**First Stewards**"), a wholly-owned subsidiary of the Company and became a shareholder of First Stewards in 2004.

Mr. Ong Eng Tiang graduated with a Bachelor of Business Administration from the University of Wisconsin-Madison in the United States of America in 1993.





## **FRANCIS YAU THIAM HWA**

*Independent Non-Executive Director*

Mr. Francis Yau was appointed to the Board on 9 June 2016 as our Independent Non-Executive Director.

Mr. Francis Yau serves as the Chairman of the Audit Committee and a member of the Remuneration Committee. His experience spans across a wide spectrum of expertise ranging from corporate banking, corporate finance, financial and risk management, strategic planning to the management of the corporate affairs in a public listed company and has good knowledge of corporate governance, investor relations and sustainability. He is currently the Chief Financial Officer of Megachem Ltd. since 2007, a public listed company in Singapore, and serves as an independent director in Abundance International Limited, a Singapore listed company.

Mr. Francis Yau holds a bachelor's degree in Business Administration from the National University of Singapore, majoring in finance and is also a member of the Institute of Singapore Chartered Accountants.



## **SHAMSUL KAMAR BIN MOHAMED RAZALI**

*Independent Non-Executive Director*

Mr. Shamsul Kamar Bin Mohamed Razali, PBM, was appointed to the Board as our Independent Non-Executive Director on 1 June 2021.

Mr. Shamsul worked at the National Trades Union Congress (NTUC) from 2015 to 2021 and was formerly the Executive Director of the Centre for Domestic Employees (CDE), a non-profit organisation that champions the employment rights of migrant domestic employees in Singapore. He was also the Deputy Executive Secretary of the Education Services Union which endeavours to protect the interests of private education educators and workers in the sector.

Mr. Shamsul graduated from the National Technological University, National Institute of Education (NTU / NIE) with a Bachelor of Arts degree and a Master of Arts (Southeast Asian Studies) degree from the National University of Singapore. He served as an educator with the Ministry of Education for 18 years before joining NTUC.

Since 2006, Mr. Shamsul has been actively involved in the community, serving in the grassroots organisations in Kaki Bukit (2006-11) and Nee Soon Central (2011-15) and was a member of the Mendaki Tuition Scheme (MTS) Review Panel (2019-20). He was previously the Chairman of the Ministry of Social and Family Development (MSF)'s Review Board, Committee 6, Board of Visitors (Children and Young Persons Homes). He is currently the Advisor to Aljunied GRC GROs (Kaki Bukit), a member of the M3 FA4 Taskforce Workgroup and a member of the Board of Trustees for the Keppel Fels Union (KFEU). In recognition of his public services Mr. Shamsul was awarded the National Day Award – Pingat Bakti Masyarakat (PBM) in 2017.

## BOARD OF DIRECTORS



### TAKEHITO HIRANO

*Non-Executive Non-Independent Director*

Mr. Takehito Hirano was appointed to the Board on 16 October 2018. He has years of experience in the manpower outsourcing business. In 1990, he established Fullcast Holdings Co., Ltd. (formerly known as Resort World Co., Ltd.) as one of the founders, where he was responsible for its overall administration, operation and management as a Representative Director. Fullcast Holdings Co., Ltd. has been engaging in the manpower outsourcing business for various industries and occupations as well as a forerunner of short-term manpower outsourcing companies in Japan, meeting the human resource needs of a wide variety of companies ranging from leading Japanese corporations to small and medium-sized firms. The company is listed on the First Section of the Tokyo Stock Exchange.

He is currently the Director and Chairman of Fullcast Holdings Co., Ltd. and is also a Representative Director and Chairman of F-PLAIN Corporation (formerly known as Fullcast Marketing Co., Ltd. and a subsidiary of Fullcast Holdings Co., Ltd.).

Mr. Hirano graduated with a Bachelor of Economics from the Kanagawa University in Japan in 1984.





## **FRANCIS CHIN**

*Head of Employment Services*

Mr. Francis Chin is our Head of Employment Services. He is responsible for the operations and management of the Employment Services Business to achieve desirable objectives, quality services and profitability.

Mr. Francis Chin began his career in 1978 as a technician and a tooling planner with Dupont Electronic Pte Ltd, where he was responsible for assisting engineers in performing operations, modification tooling and costing planning. He then co-founded Nation Employment Pte Ltd in 1994 and has since been responsible for the daily operations and management of the Group's Employment Services Business.

He was awarded the Pingat Bakti Masyarakat (Public Service Medal) for commendable community service in Singapore in 2005.



## **MICHELLE LI YING**

*Chief Financial Officer*

Ms. Michelle Li Ying is our Chief Financial Officer and is responsible for the Group's internal controls, financial and accounting functions. She has over 20 years of experience in accounting and financial management in listed and non-listed companies, before joining our Group as Chief Financial Officer in 2015. Ms. Michelle Li worked at Pacific International Lines (Pte) Ltd from 1999 to 2005, where she was over time promoted to an assistant accounting executive and led a finance team to review revenue reporting and collections from overseas agents and subsidiaries. In 2005, she joined BDO LLP as an audit assistant, before leaving the firm as an audit senior in 2008. From 2008 to 2010, Ms. Michelle Li was a finance manager at JES International Holdings Limited, where she was responsible for statutory reporting and financial results announcements, and she also assisted the chief financial officer in financial, accounting, internal controls, taxation matters and investor relations of the group. From 2010 to 2011, she was a finance manager at Ferrell International Limited, and led the finance department of the company. From 2011 to 2013, she was the financial controller of SGX-ST Mainboard listed, AVIC International Maritime Holdings Limited, where she oversaw its internal controls, finance and accounting functions, including statutory and SGX-ST reporting, banking, tax and audit related matters and investor relations. Subsequently, she joined Goyes Group Holdings Company Ltd as chief financial officer in 2014, where she was responsible for overseeing the group's internal controls, financial functions and accounting matters.

Ms. Michelle Li is a member of the Institute of Singapore Chartered Accountants (previously known as Institute of Certified Public Accountants of Singapore), a Fellow of the Association of Chartered Certified Accountants, United Kingdom, and a Certified Internal Auditor of the Institute of Internal Auditors.

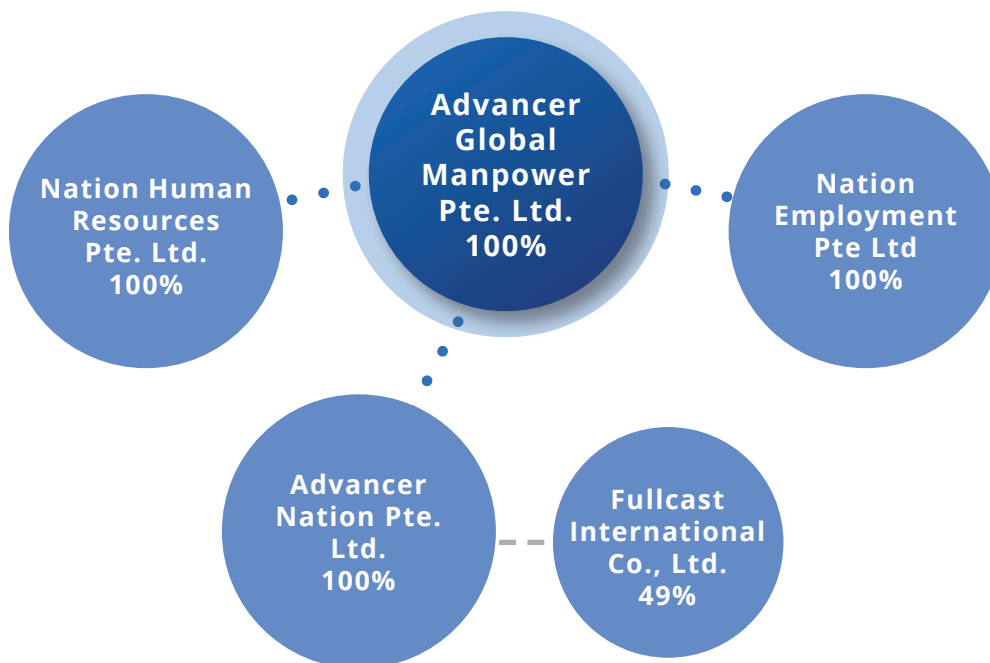
Ms. Michelle Li graduated from Oxford Brookes University with a Bachelor of Science in Applied Accounting in 2008 and subsequently obtained a Master of Business Administration from the University of Manchester in 2015.



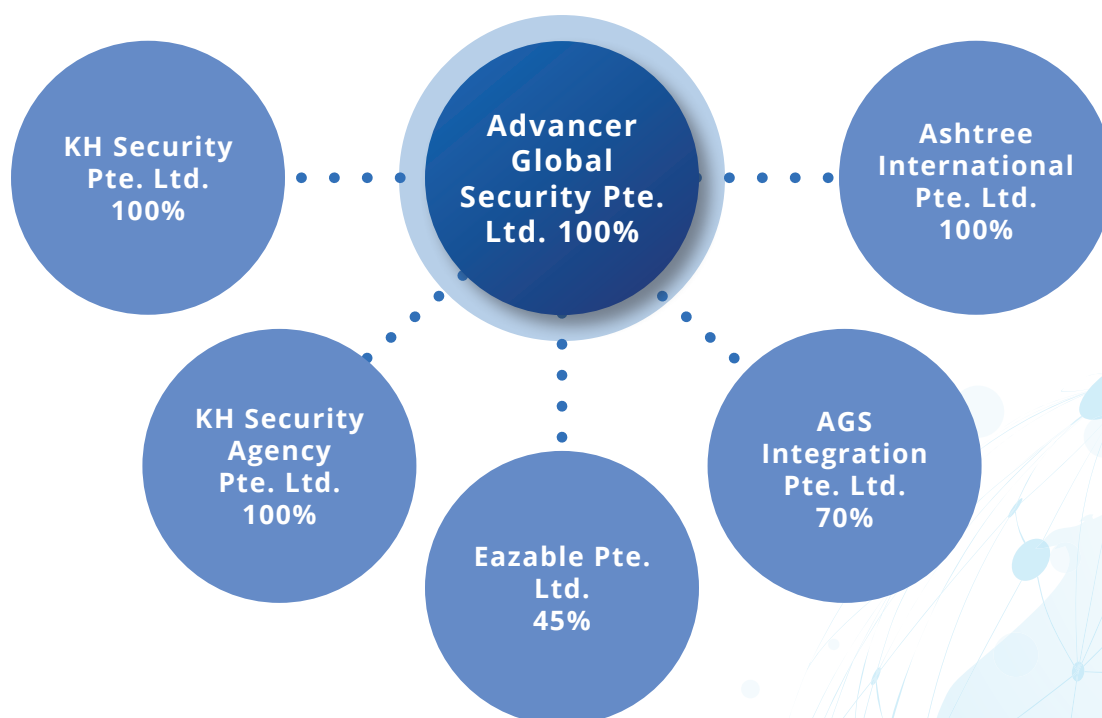
# GROUP STRUCTURE

As of 13 April 2022

## EMPLOYMENT SERVICES Advancer Global Manpower Pte. Ltd. 100%



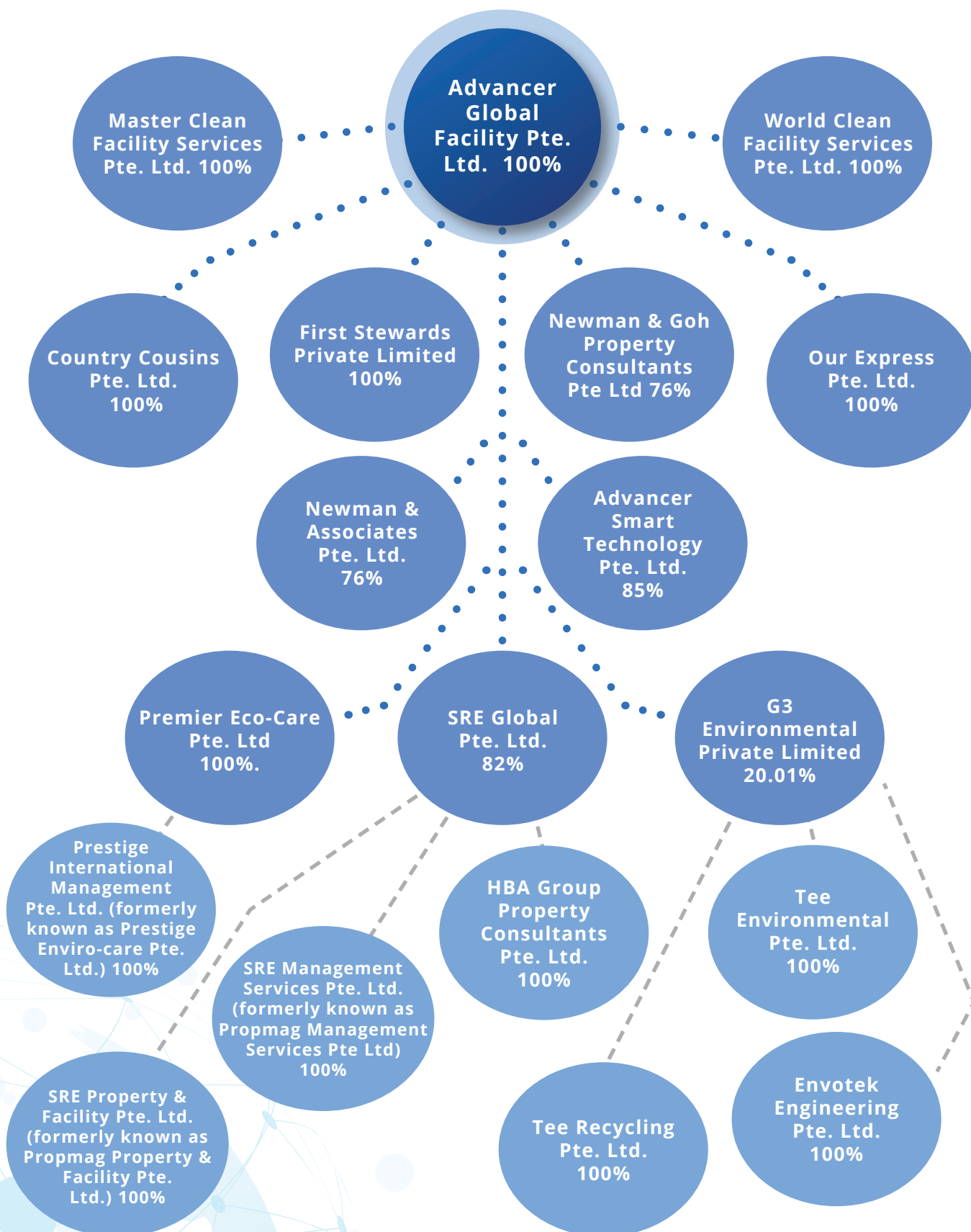
## SECURITY SERVICES Advancer Global Security Pte. Ltd. 100%



# GROUP STRUCTURE

As of 13 April 2022

## BUILDING MANAGEMENT SERVICES Advancer Global Facility Pte. Ltd. 100%



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Danny Lim Teck Chai**

*Independent Non-Executive Chairman*

**Mr. Gary Chin Mei Yang**

*Chief Executive Officer and Executive Director*

**Mr. Desmond Chin Mui Hiong**

*Executive Director*

**Mr. Ong Eng Tiang**

*Executive Director*

**Mr. Francis Yau Thiam Hwa**

*Independent Non-Executive Director*

**Mr. Takehito Hirano**

*Non-Independent Non-Executive Director*

**Mr. Shamsul Kamar bin Mohamed Razali**

*Independent Non-Executive Director*

## AUDIT COMMITTEE

**Mr. Francis Yau Thiam Hwa (Chairman)**

**Mr. Danny Lim Teck Chai**

**Mr. Shamsul Kamar bin Mohamed Razali**

## REMUNERATION COMMITTEE

**Mr. Danny Lim Teck Chai (Chairman)**

**Mr. Francis Yau Thiam Hwa**

**Mr. Shamsul Kamar bin Mohamed Razali**

## NOMINATING COMMITTEE<sup>(1)</sup>

**Mr. Shamsul Kamar bin Mohamed Razali (Chairman)**

**Mr. Gary Chin Mei Yang**

**Mr. Danny Lim Teck Chai**

## COMPANY SECRETARY

**Ms. Sin Chee Mei**

**Ms. Koo Wei Jia**

*Note:*

*(1) The composition of the Nominating Committee is with effective from 1 March 2022.*

## REGISTERED OFFICE

135 Jurong Gateway Road #05-317

Singapore 600135

Website: <https://advancer.sg>

Tel: (65) 6665 3855

Fax: (65) 6665 0969

## SHARE REGISTRAR

**In.Corp Corporate Services Pte. Ltd.**

30 Cecil Street

#19-08 Prudential Tower

Singapore 049712

## AUDITORS

**Mazars LLP**

135 Cecil Street

#10-01 MYP Plaza

Singapore 069536

**Partner-in-charge:**

**Mr. Lai Keng Wei**

(Chartered Accountant of Singapore)

Date of appointment: 31 December 2020

## PRINCIPAL BANKERS

**DBS Bank Ltd.**

12 Marina Boulevard

Marina Bay Financial Centre, Tower 3

Singapore 018982

**Oversea-Chinese Banking Corporation Limited**

65 Chulia Street

#09-00 OCBC Centre

Singapore 049513

**United Overseas Bank Limited**

80 Raffles Place

UOB Plaza

Singapore 048624

**Standard Chartered Bank (Singapore) Limited**

8 Marina Boulevard

#27-01 Marina Bay Financial Centre, Tower 1

Singapore 018981

## CONTINUING SPONSOR

**SAC Capital Private Limited**

1 Robinson Road

#21-00 AIA Tower

Singapore 048542

Tel: (65) 6232 3210



Advancer Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is committed to maintaining a high standard of corporate governance by adhering to the principles and provisions set out in the Code of Corporate Governance 2018 (the “**Code**”), where appropriate. These principles and provisions reflect the Board’s commitment in having effective corporate practices to safeguard against, amongst others, fraud and dubious financial transactions, with the aim of protecting shareholders’ interests as well as maximizing long-term success of the Company and Group.

The Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) requires all listed companies to describe in their annual reports, their corporate governance practices, with specific reference to the principles of the Code.

This report sets out the corporate governance practices that were adopted by the Group during the financial year ended 31 December 2021 (“**FY2021**”) (“**Report**”), with specific reference to the principles and provisions of the Code as well as the accompanying practice guidance, which forms part of the continuing obligations of the Catalist Rules of the SGX-ST.

The Board confirms that, for FY2021, the Group has generally adhered to the principles and provisions outlined in the Code. Where there were deviations from the provisions of the Code, appropriate explanations are provided. The Board will continue to assess the needs of the Company and improve on its corporate governance practices as appropriate.

## 1. THE BOARD’S CONDUCT OF AFFAIRS

### **Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

As at the date of this Report, the Board comprises the following members, all of whom have the appropriate core competencies and diversity of experience needed to enable them to effectively contribute to the Group.

Lim Teck Chai, Danny (“ <b>Danny Lim</b> ”)	Independent Non-Executive Director and Chairman
Chin Mei Yang (“ <b>Gary Chin</b> ”)	Chief Executive Officer and Executive Director
Chin Mui Hiong (“ <b>Desmond Chin</b> ”)	Executive Director
Ong Eng Tiang	Executive Director
Yau Thiam Hwa (“ <b>Francis Yau</b> ”)	Independent Non-Executive Director
Shamsul Kamar Bin Mohamed Razali (“ <b>Shamsul Kamar</b> ”)	Independent Non-Executive Director
Takehito Hirano	Non-Independent Non-Executive Director

The principal functions of the Board, in addition to carrying out its statutory responsibilities, *inter alia*, are as follows:

- (i) overseeing and approving strategic formulation of the Group’s overall long-term objectives and directions, taking into consideration sustainability issues, e.g. environmental and social factors;
- (ii) overseeing and reviewing the management of the Group’s business affairs and financial controls, performance and resource allocation, including ensuring that the required financial and human resources are available for the Group to meet its objectives;

# CORPORATE GOVERNANCE REPORT

- (iii) monitoring the performance of Group's management ("**Management**") towards achieving organisational goals;
- (iv) establishing a framework of prudent and effective controls to assess and manage risks and safeguard shareholders' interests and the Group's assets;
- (v) reviewing and evaluating the adequacy and integrity of the Group's internal controls, risk management and financial reporting systems;
- (vi) identifying the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
- (vii) considering sustainability issues including environmental and social factors in the formulation of the Group's strategies;
- (viii) setting the Company's values and standards (including ethical standards and code of conduct), and ensures proper accountability within the Group such that obligations to shareholders and other stakeholders are understood and met;
- (ix) ensuring compliance with the Code, the Singapore Companies Act 1967, the Company's Constitution, the Catalist Rules, accounting standards and other relevant statutes and regulations; and
- (x) assuming the responsibilities for corporate governance.

All Directors exercise due diligence and independent judgment, and are obliged to act in good faith and in the best interest of the Company, so as to enhance the long term value of the Group to its shareholders. Each Director is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. Where a potential conflict of interest arises, the Director concerned will recuse himself from discussions and decisions involving the issue of conflict and refrains from exercising any influence over other members of the Board in respect of the issue as well as abstain from participating in any Board decision.

All Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. In line with the Board's enduring commitment to high level of corporate governance, all Directors update the Board on a timely basis, through the Company Secretary, of interest in new companies that were not previously disclosed to the Board. Additionally, at the start of each financial year, all Directors submit a letter to the Company Secretary of all their interest in other companies to be read and acknowledged by the Board.

Newly appointed directors will receive a formal letter explaining their duties and responsibilities, and are provided an orientation (including site visits to the Group's principal place of operations) and be briefed on, *inter alia*, the business operations including industry-specific information relating to the Group's business, governance practices and regulatory requirements of the Group.

The Directors are encouraged to constantly keep themselves abreast of the latest developments in regulatory, legal and accounting frameworks that are of relevance to the Group and attend appropriate courses and seminars that will be arranged and funded by the Company. The external auditors, during their presentation of the audit plan annually, will update the Directors on the new or revised financial reporting standards. Regular updates on developments and amendments to the Companies Act, corporate governance and listing rules are circulated by the Sponsor, the Company Secretary and the Company's legal counsel to the Board.

The Directors also attend other appropriate courses and seminars to keep abreast with changes in regulations, financial reporting standards, continuing listing obligations as well as industry-related matters during FY2021. In accordance with Rule 406(3)(a) of the Catalist Rules, the Nominating Committee (“**NC**”) will ensure that any new director appointed by the Board, who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST. On 1 June 2021, Mr. Shamsul Kamar was appointed as the Company’s Independent Non-Executive Director of the Board and he had attended all relevant trainings prescribed by SGX-ST save for LED 5 - Audit Committee Essentials which he will endeavour to complete as soon as possible. Mr. Shamsul Kamar was issued a formal letter explaining his duties and responsibilities upon his appointment and was also briefed on matters such as business operations of the Group, Board processes and proceedings, corporate governance initiatives and industry development related matters of Group.

In FY2021, briefings and updates provided to the Directors include but not limited to the following:-

- Updates on the developments in financial reporting and governance standards, where relevant, by the external auditors of the Company to the Audit Committee and the Board;
- Updates on business and strategies developments pertaining to the Group’s business by the Management to the Non-Executive Directors; and
- Updates on news releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority on matters including but not limited to enhancing rules on auditors, valuers and valuation reports and guidance on the conduct of general meetings amid evolving COVID-19 pandemic which are relevant to the Directors by the Company Secretary and the Sponsor.

As part of the Company’s continuing education for the Directors, the Management circulates to the Board, articles, reports and press release relevant to the Group’s business to keep Directors updated on current industry trends and issues.

Matters specifically reserved for the Board’s approval include corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, major corporate actions such as share issuance, share buy-backs, the release of the Group’s half-year and full-year results, declaration of dividends and interested person transactions.

To assist in the execution of its responsibilities, the Board has, without abdicating its responsibility, established three Board Committees, comprising an Audit Committee (the “**AC**”), a Nominating Committee (the “**NC**”) and a Remuneration Committee (the “**RC**”) (collectively, the “**Board Committees**”). These Board Committees function within clearly defined written terms of reference and operating procedures. The Board accepts that while these Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lie with the Board. The terms of reference and further details of the activities of the Board committees in FY2021 are set out under the respective sections in this Report.



# CORPORATE GOVERNANCE REPORT

The Board meets regularly on a half-yearly basis and ad-hoc Board Committee or Board meetings are convened when they are deemed necessary. The number of Board Committee and Board meetings held in FY2021 and each individual directors' attendance at such meetings is set out below:

Director	No. of Meetings held and attended in FY2021							
	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Danny Lim	2	2	2	2	1	1	1	1
Gary Chin	2	2	-	-	1	1	-	-
Desmond Chin	2	2	-	-	-	-	-	-
Ong Eng Tiang	2	2	-	-	-	-	-	-
Francis Yau	2	2	2	2	-	-	1	1
Takehito Hirano	2	-	-	-	-	-	-	-
Shamsul Kamar <sup>(a)</sup>	1	1	1	1	-	-	-	-
Vincent Leow <sup>(b)</sup>	1	1	1	1	1	1	1	1

Note:

- (a) Mr. Shamsul Kamar was appointed as an Independent Non-Executive Director of the Company on 1 June 2021.
- (b) Mr. Vincent Leow retired as a Director of the Company at the Annual General Meeting ("AGM") on 29 April 2021. Accordingly, he has relinquished his position as the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.

The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The Management provides the Board with half-yearly accounts, as well as relevant background or explanatory information relating to the matters that would be discussed at the Board meetings, prior to the scheduled meetings. All Directors are also furnished with updates on the financial position and any material developments of the Group as and when necessary. Directors may request to visit the Group's operating facilities and meet with the Management to gain a better understanding of the Group's business operations and corporate governance practices.

The Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating written resolutions. Ad-hoc meetings are also convened whenever circumstances require. The Constitution of the Company provides for Board and Board Committee meetings to be held by way of telephonic and videoconferencing. The Board committees may also make decisions by way of circulating written resolution.

All Directors are required to declare their board appointments. When a Director has multiple board representations, the NC will consider whether the director is able to adequately carry out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. Directors with multiple board representations must ensure that sufficient time and attention are given to the affairs of the Group.

The Board (whether individually or as a whole) has separate and independent access to the Management, internal auditors, external auditors and the Company Secretary at all times, and may seek independent professional advice, if necessary, at the expense of the Company. Key management and the Company's auditors are invited to attend Board and Board Committees meetings to update and provide professional advice on specific issues if required. The Company Secretary attends all Board meetings and ensures that all Board procedures are followed. The Company Secretary also ensures that the Company complies with the requirements of the Singapore Companies Act 1967, and the Catalist Rules. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

## 2. BOARD COMPOSITION AND GUIDANCE

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

The Board consists of seven Directors, comprising of three Executive Directors, three Independent Directors and one Non-Independent Non-Executive Director. The Independent Directors are Mr. Danny Lim, Mr. Francis Yau and Mr. Shamsul Kamar. Mr. Takehito Hirano is a Non-Independent and Non-Executive Director of the Company.

As set out under the Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. The NC assess and review annually the independence of a Director bearing in mind the salient factors as set out under the Code and Practice Guidance, as well as all other relevant circumstances and facts.

Each Independent Director is required to complete a checklist annually to confirm his independence based on the provisions as set out in the Catalist Rules, the Code and the Practice Guidance. The NC adopts the Code's definition of what constitute an "independent" director in its review. The NC takes into account, among other things, whether a Director has a business relationship with the Company, its related companies and its substantial shareholders, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

For FY2021, the Board considers Mr. Danny Lim, Mr. Francis Yau and Mr. Shamsul Kamar to be independent on the following basis:

- (a) The Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past three financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the RC.
- (b) None of the Independent Directors has served on the Board beyond nine years from the date of first appointment.
- (c) None of the Independent Directors and their immediate family members had in the current or immediate past financial year (i) provided or received material services or payments aggregated over any financial year in excess of S\$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organization which provided or received payments aggregated over any financial year in excess of S\$200,000 for services rendered.

# CORPORATE GOVERNANCE REPORT

(d) None of the Independent Directors are directly associated with a substantial shareholder of the Company.

The independence of each Independent Non-Executive Director is assessed at least annually by the NC. Particular scrutiny is applied in assessing the continued independence of Directors having served beyond nine years from the date of his first appointment, with attention to ensuring their allegiance remains clearly aligned with shareholders' interest. As of the date of this Report, there is no Independent Director who has served for an aggregate period of nine or more years from the date of his first appointment.

The Company has complied with the relevant provisions as the Board is made up of at least one-third of independent directors and a majority of non-executive directors. Hence, the Board and NC are satisfied that the Board is able to exercise independent and objective judgment on corporate affairs and provide the Management with a diverse and objective perspective on issues.

The composition of the Board and Board Committees is reviewed on an annual basis by the NC to ensure that the Board and the Board Committees have the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making. The Board has implemented a Board Diversity Policy that addresses various aspects of diversity, including but not limited to gender, business and industry skills, knowledge and experience including familiarity of the Company's core markets, age, length of service, independence, language and geography, and assesses the combined factors which the Board requires to be effective. The Board also aspires to have an appropriate proportion of Directors who have experience in the Company's core markets, with different ethnic backgrounds, and reflect the Company's strategies.

The Board as a whole comprises members with core competencies in accounting and finance, legal, business and management experience, industry knowledge, strategic planning and customer-based experience and knowledge. This enables the Management to benefit from the external and expert perspectives of the Directors who constructively challenge key issues and strategies put forth by Management.

The NC, with concurrence of the Board, is of the opinion that the Board's present size and composition to be appropriate for the Company's needs and nature of the operations, with an objective of achieving a good mix and diversity of skills, experiences, gender and knowledge of the business to ensure that the Board will be able to make satisfactory and independent decisions regarding the affairs of the Company.

The Independent Non-Executive Directors participate actively in Board meetings. With their professional expertise and competency in their respective fields in the legal, finance, accounting and commercial sectors, collectively, the Independent Non-Executive Directors provide constructive advice and guidance for effective discharge by the Board of its principal functions over the Group's strategies, businesses and other affairs.

The Non-Executive Directors and/or Independent Directors meet among themselves without the presence of the Management at least once a year. The Independent Directors communicate regularly to discuss matters related to the Group, including, *inter alia*, the performance of the Management. During FY2021, the Independent Directors, communicated among themselves without the presence of Management as and when the need arose. Where appropriate, the Independent Directors provide feedback to the Board after such meetings.

The profiles of the Directors are set out on pages 13 to 16 of this Annual Report.

### 3. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

Mr. Danny Lim holds the position as Chairman of the Board while Mr. Gary Chin is the Chief Executive Officer (“CEO”) of the Company. Both positions are held by separate individuals to ensure an appropriate balance of power, increased accountability and greater capacity for independent decision-making.

The overall role of the Chairman is to lead and ensure the effectiveness of the Board which includes:-

- (a) promoting a culture of openness and debate at the Board;
- (b) facilitating the effective contribution of all Directors;
- (c) encouraging constructive relations between the Board and Management as well as between the Executive Directors and Independent Directors;
- (d) promoting high standards of corporate governance with full support of the Board, the Management and the Company Secretaries; and
- (e) ensuring effective communication with shareholders.

There is a clear division between the leadership of the Board and the CEO. The CEO is responsible for the day-to-day operations of the Group, as well as to carry out the Board’s decisions. The Chairman and the CEO are not related.

As the Chairman is a separate independent individual, there is no need for a lead independent director to be appointed.

### 4. BOARD MEMBERSHIP

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

The NC is responsible for making recommendations on all Board appointments and re-nominations, having regard to the contribution and performance of the Director seeking re-election.

The NC comprises Mr. Shamsul Kamar, Mr. Danny Lim and Mr. Gary Chin. The chairman of the NC is Mr. Shamsul Kamar. A majority of the NC, including the chairman, is independent.

The written terms of reference of the NC have been approved and adopted. The key responsibilities of the NC are:

- (a) review the structure, size and composition (including skills, qualifications, experience and diversity) of the Board and Board Committees and recommend changes, if any, to the Board;
- (b) nominate Directors (including Independent Directors) taking into consideration each Directors’ contribution, performance and ability to commit sufficient time, resources and attention to the affairs of our Group including their principal occupation and board representations in other companies;
- (c) review and recommend the appointment and re-appointment of Directors (including alternate directors, if applicable);



# CORPORATE GOVERNANCE REPORT

- (d) determine annually whether or not a Director (including alternate director) of the Company is independent having regard to the Code and any other salient factors;
- (e) develop a process for evaluating the effectiveness and performance of the Board and its committees; and propose objective performance criteria, as approved by the Board, that allow comparison with the industry peers (if available) and address how the Board has enhanced long term shareholders' value;
- (f) assess the performance of the Board as a whole and contribution of each Director to the effectiveness of the Board;
- (g) recommend the membership of the Board committees to the Board;
- (h) review of succession plans for Board Chairman, Directors, CEO and key management personnel of the Company;
- (i) review and decide, in respect of a Director who has multiple board representations on various companies, whether or not, such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;
- (j) determine and recommend to the Board on the maximum number of listed company board representations which any Director may hold;
- (k) review of training programmes for the Board and assist with similar programmes for the Board Committees;
- (l) review and approve any new employment of persons related to the director(s) and substantial shareholder(s), and the proposed terms of their employment;
- (m) keep up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the Company and the industry in which it operates; and
- (n) other acts as may be required by the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance from time to time.

Having made its review on an annual basis, taking into consideration the checklist provided by the Independent Directors as mentioned under Principle 2 above, the NC has affirmed that Mr. Danny Lim, Mr. Francis Yau and Mr. Shamsul Kamar have satisfied the criteria for independence. Each of the Independent Directors has also confirmed his independence.

The Company does not have a formal criteria of selection for the appointment of new Directors to the Board. When a vacancy arises under any circumstance, either as part of the Board renewal process or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, will determine the selection criteria and will select candidates with the appropriate expertise and experience for the position. In its search and nomination process for new Directors, the NC may rely on search companies, personal contacts and recommendations for the right candidates. The NC will make reference checks, meet up with the candidates and assess their suitability prior to making recommendations to the Board. Furthermore, the Board will also conduct thorough check on candidates' background and experience, especially on any record of public reprimand and criminal record. Shortlisted candidates will then meet up with the other Board members before the Board approves the appointment.

# CORPORATE GOVERNANCE REPORT

Board appointments are made by the Board after the NC has, upon reviewing the resume of the proposed Director and conducting appropriate interviews, recommended the appointment to the Board and the Board approving the appointment. Pursuant to the Constitution of the Company, each Director is required to retire at least once every three years by rotation, and all newly appointed Directors who are appointed by the Board are required to retire at the next annual general meeting following their appointment. The retiring Directors are eligible to offer themselves for re-election.

The dates of initial appointment together with their directorships in other listed companies and principal commitments, are set out below:

Director	Position	Date of initial appointment	Date of last re-appointment	Current directorships in listed companies	Other Principal Commitments (outside the Group)
Danny Lim	Independent Non-Executive Director & Chairman of the Board	31 December 2019	17 June 2020	<ul style="list-style-type: none"> <li>● Kimly Limited</li> <li>● Stamford Land Corporation Limited</li> <li>● Choo Chiang Holdings Ltd</li> <li>● Valuemax Group Limited</li> </ul>	<ul style="list-style-type: none"> <li>● Rajah &amp; Tann Singapore LLP</li> </ul>
Gary Chin	Executive Director and Chief Executive Officer	2 February 2016	29 April 2019	–	–
Desmond Chin	Executive Director	9 June 2016	29 April 2021	–	–
Ong Eng Tiang	Executive Director	9 June 2016	17 June 2020	–	–
Francis Yau	Independent Non-Executive Director	9 June 2016	29 April 2021	Abundance International Limited	Megachem Limited
Shamsul Kamar	Independent Non-Executive Director	1 June 2021	–	G.H.Y Culture & Media Holding Co., Limited	<ul style="list-style-type: none"> <li>● M3 FA4 Taskforce Workgroup Panel</li> <li>● Aljunied GRC GROs (Kaki Bukit)</li> <li>● PAP Community Foundation (PCF Kaki Bukit)</li> </ul>
Takehito Hirano	Non-independent Non-Executive Director	16 October 2018	29 April 2019	Fullcast Holdings Co., Ltd. (Listed on Tokyo Stock Exchange)	<ul style="list-style-type: none"> <li>● F-Plain Corporation</li> <li>● Hirano Associates Co., Ltd</li> <li>● D.League.inc</li> </ul>

Mr. Gary Chin, Mr. Ong Eng Tiang and Mr. Takehito Hirano will retire at the forthcoming annual general meeting (“AGM”) pursuant to Regulation 117 of the Company’s Constitution while Mr. Shamsul Kamar will retire pursuant to Regulation 122 of the Company’s Constitution. Mr. Gary Chin, Mr. Ong Eng Tiang, Mr. Shamsul Kamar and Mr. Takehito Hirano had offered themselves for re-election at the forthcoming AGM. In this regard, the NC, having considered Mr. Gary Chin, Mr. Ong Eng Tiang, Mr. Shamsul Kamar and Mr. Takehito Hirano’s overall contribution and performance, had recommended their re-election to the Board and the Board has concurred with the NC’s recommendation. Please refer to the section entitled “**Disclosure of Information on Directors Seeking Re-election**” of this Annual Report for the information as set out in Appendix 7F to the Catalist Rules relating to Mr. Gary Chin, Mr. Ong Eng Tiang, Mr. Shamsul Kamar and Mr. Takehito Hirano.

# CORPORATE GOVERNANCE REPORT

As explained in Principle 1 above, the Directors are provided a formal letter detailing their duties and responsibilities to the Company. When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. The NC is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company at the Board meetings, Board committees' meetings and/or discussion sections. The NC is of the view that the matter relating to multiple board representations should be left to the judgement of each Director given that time requirements for different board representations vary. As such, the NC and the Board have decided that there is no necessity to determine the maximum number of listed company board representations which a Director may hold at this point in time.

Each member of the NC has abstained from reviewing and voting on any resolution relating to the assessment of his performance and independence, or his re-nomination as Director, or in any matter where he has an interest.

The Company does not have any alternate Director on Board currently and none of the Directors hold shares in the subsidiaries of the Company.

The key information regarding the Directors are set out on pages 13 to 16 and pages 43 to 52 of this Annual Report.

## 5. BOARD PERFORMANCE

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

The Board's performance is linked to the overall performance of the Group. The Board ensures that the Company is in compliance with the applicable laws, and members of our Board are required to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

On an annual and formal basis, the NC assesses the effectiveness of the Board as a whole and the contribution by each Director (including the Chairman) to the effectiveness of the Board as well as the effectiveness of the Board Committees.

For the financial year under review, each individual Director has completed assessment checklists with a set of proposed performance criteria determined by the NC which includes matters such as the Board's structure, conduct of Board and Board Committee meetings, risk management and internal control, as well as the Board's relationship with the Management. The NC also assesses the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. The completed assessment checklists are submitted to the Company Secretary for collation and the results are presented to the NC for their review. Individual Director's performance through self-assessment and peer review by completing the Individual Director Assessment Checklist and Director Peer Performance Evaluation Forms, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors.

The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

The Board and the NC have endeavored to ensure that Directors appointed to the Board possess the background, experience, business knowledge, finance and management skills critical to the Group's business. They also ensure that each Director, with his unique skillsets, contributes to the Board by bringing with him an independent and objective perspective of matters to enable balanced and well-considered decisions to be made.

The Company did not engage any external facilitator for the evaluation process during FY2021. Where necessary, the NC will consider such an engagement.

## 6. REMUNERATION MATTERS

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

The RC makes recommendations to the Board on the framework of remuneration, and the specific remuneration packages for each Director. The RC comprises Mr. Danny Lim, Mr. Francis Yau and Mr. Shamsul Kamar all of whom are Independent Non-Executive Directors. The chairman of the RC is Mr. Danny Lim.

The terms of reference of the RC have been approved and adopted. The key responsibilities of the RC are:

- (a) recommend to the Board a remuneration policy/framework for the Directors and key management personnel (“KMPs”);
- (b) recommend to the Board the specific remuneration packages for each Director as well as for the KMPs;
- (c) review the remuneration of employees related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- (d) review and consider all aspects of remuneration and remuneration policy for Directors and KMPs, including termination terms and payments, to ensure they are fair;
- (e) review the design of all long-term and short-term incentive plans for Directors and KMPs for approval by the Board and/or shareholders;
- (f) work and liaise, as necessary, with all other Board Committees on any other matters connected with remuneration;
- (g) keep up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the company and the industry in which it operates; and
- (h) other acts as may be required by the Singapore Exchange Securities Trading Limited and the Code from time to time.

The members of the RC are familiar with executive compensation matters as they manage their own businesses and/or are holding other senior positions and directorships. The RC has access to expert advice regarding executive compensation matters, if required.

The RC’s recommendations will be submitted for endorsement by the Board. No member of the RC or any Director is involved in deciding his own remuneration.

The RC review the Company’s obligations arising in the event of termination of the Executive Directors and KMP’s contracts of services, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous with an aim to be fair and avoid rewarding poor performance.

The RC from time to time and where necessary will seek advice from the external remuneration consultant in framing the remuneration policy and determining the level and mix of remuneration for Directors and KMPs. The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2021. None of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation or any form of benefits to be granted to him.



# CORPORATE GOVERNANCE REPORT

## 7. LEVEL AND MIX OF REMUNERATION

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

In setting remuneration packages, the RC takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and KMPs. The remuneration package is designed to allow the Company to better align the interests of the Executive Directors and KMPs with those of shareholders and link rewards to corporate and individual performance.

The Non-Executive and Independent Directors receive directors' fees for their effort and time spent, responsibilities and level of contribution to the Board and Board Committees, and are subject to shareholders' approval at AGM. The RC also ensures that the Independent Directors should not be over-compensated to the extent that their independence is compromised.

The Company has entered into fixed-term service agreements with the Executive Directors, namely Mr. Desmond Chin, Mr. Gary Chin and Mr. Ong Eng Tiang. The service agreements are valid for an initial period of three years with effect from the date of admission of the Company to the Catalist. Subsequent to the expiry of the initial period of three years, the employment of Mr. Desmond Chin, Mr. Gary Chin and Mr. Ong Eng Tiang have been renewed for three years from 1 July 2019 on such terms and conditions as the parties agreed in writing. Following the period of three years, either party may terminate the service agreements at any time by giving the other party not less than six months' notice in writing.

The Company has also entered into separate employment contracts with the KMPs which provides for remuneration payable to them, annual leave entitlement and termination arrangements.

Remuneration for the Executive Directors comprises a basic salary component as well as fixed and variable incentive bonus component that is based on the performance of the Group as a whole and the ability to meet certain profit targets. KMPs are paid basic salary and performance bonus is based on a yearly appraisal. All revisions to the remuneration packages for the Directors and KMPs are subjected to the review by and approval of the RC and the Board. Directors' fees are further subjected to the approval of the shareholders at the AGM. For 2022, directors' fee of S\$148,000, payable quarterly in arrears are recommended by the Board and are subject to the approval of shareholders at the forthcoming AGM of the Company.

Both the Advancer Global Employee Share Option Scheme (the "**Advancer Global ESOS**") and Advancer Global Performance Share Plan (the "**Advancer Global PSP**") form an integral component of the compensation plan and are designed primarily to reward and retain the Executive Directors, Non-Executive Directors (including the Independent Directors) and employees whose services are vital to Group's well-being and success. The RC is responsible for administering the Company's Advancer Global ESOS and Advancer Global PSP.

## 8. DISCLOSURE ON REMUNERATION

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

The Board is of the view that full disclosure of the specific remuneration of each individual Director and the CEO is not in the best interests of the Company, taking into account the sensitive nature of the subject, the high competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group, and that the current disclosure on a named basis and in bands of S\$250,000 including the provision of a breakdown in percentage terms is sufficient.

The Company only has 2 KMPs (who are not Directors or the CEO) during FY2021 and their remuneration is disclosed in bands of S\$250,000.

The level and mix of remuneration paid or payable to the Directors and KMPs for FY2021 are set out as follows:

Remuneration bands	Salary & CPF	Bonus & CPF	Director's Fee <sup>(1)</sup>	Other Benefits	Total
	%	%	%	%	%
<b>Directors</b>					
<b>S\$250,000 to below S\$500,000</b>					
Gary Chin	80	20	–	–	100
Ong Eng Tiang	80	20	–	–	100
Desmond Chin	80	20	–	–	100
<b>Below S\$250,000</b>					
Danny Lim	–	–	100	–	100
Francis Yau	–	–	100	–	100
Vincent Leow <sup>(2)</sup>	–	–	100	–	100
Takehito Hirano	–	–	100	–	100
Shamsul Kamar <sup>(3)</sup>	–	–	100	–	100
<b>Key Management</b>					
<b>S\$250,000 to below S\$500,000</b>					
Francis Chin	89	11	–	–	100
<b>Below S\$250,000</b>					
Li Ying	100	–	–	–	100

Notes:

<sup>(1)</sup> Directors' fees have been approved by the shareholders of the Company at the AGM held on 29 April 2021.

<sup>(2)</sup> Mr. Vincent Leow retired on 29 April 2021.

# CORPORATE GOVERNANCE REPORT

The aggregate remuneration paid to the KMPs of the Company (who are not Directors or CEO) in FY2021 amounted to approximately S\$510,177.

There are no termination, retirement or post-employment benefits that are granted to the Directors, CEO and the KMPs of the Group.

Save as disclosed below, there were no employees of the Company who are substantial shareholders or are immediate family members of any Director, the CEO or a substantial shareholder and whose remuneration exceeded S\$100,000 during FY2021.

Remuneration bands	Salary & CPF %	Bonus & CPF %	Total %
<b>S\$250,000 to below S\$500,000</b>			
Francis Chin <sup>(1)</sup>	89	11	100
<b>S\$200,000 to below S\$250,000</b>			
Chin Chwee Hwa <sup>(1)</sup>	79	21	100

Note:

- (1) Francis Chin and Chin Chwee Hwa are the siblings of Desmond Chin (Executive Director and substantial shareholder) and Gary Chin (Executive Director, CEO and substantial shareholder). Francis Chin is Head of Employment Services while Chin Chwee Hwa is a director at World Clean Facilities Services Pte. Ltd..

The Company had adopted the Advancer Global ESOS and Advancer Global PSP. The RC's duties include the administration of the Advancer Global ESOS and Advancer Global PSP.

The aggregate number of shares or options over which the RC may grant on any date, when added to the number of shares issued and issuable or transferred and to be transferred in respect of all options granted under the Advancer Global ESOS and the number of shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of our Company, including the Advancer Global PSP, shall not exceed 15% of the total number of issued shares (excluding shares held by our Company as treasury shares and subsidiary holdings) on the day immediately preceding the date on which an offer to grant an option is made.

The exercise price of the options shall be fixed by the RC at:

- (a) the Market Price (as defined below); or
- (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the RC in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the Market Price in respect of that option.

Market Price is the average of the last dealt prices for a share determined by reference to the daily Official List published by the SGX-ST for a period of 5 consecutive market days immediately prior to the relevant offer date provided always that in the case of a market day on which the shares are not traded on the SGX-ST, the last dealt price for shares on such market day shall be deemed to be the last dealt price of the shares on the immediately preceding market day on which the shares were traded.

During FY2017, there were 1,156,500 share options granted to the employees (not being a Director or substantial shareholder) of which 297,500 share options had lapsed as at 31 December 2021 due to resignation of employees. Further details on the options or awards granted pursuant to the Advancer Global ESOS can be found in the Directors' Statement and Notes to the Financial Statements on pages 54 and 55 and 131 and 132 respectively.

Since the commencement of the Advancer Global ESOS, there were no share options granted to the Directors, controlling shareholders and their associates, nor did any participant receive 5% or more of the total number of options available under the Advancer Global ESOS.

Under the Advancer Global PSP, the maximum number of shares issuable or to be transferred by our Company pursuant to awards granted under the Advancer Global PSP on any date, when aggregated with the aggregate number of shares over which options or awards are granted under any other share option schemes or share schemes of our Company, will be 15% of our Company's total number of issued shares (excluding shares held by our Company as treasury shares and subsidiary holdings) on the day preceding that date. No share awards have been issued since the commencement of the Advancer Global PSP to date.

## 9. RISK MANAGEMENT AND INTERNAL CONTROLS

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interest of the company and its shareholders.**

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost-effective control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

The AC has appointed Nexia TS Risk Advisory Pte Ltd (“Nexia TS”) as internal auditors (“IA”) to perform a review of the effectiveness of internal controls of the Group in accordance with the Standards for the Professional Practice of Internal Auditing laid down by the International Professional Practices Framework issued by the Institute of Internal Auditors. For FY2021, the internal audit review focused on Group's Security Services Businesses and there were no high risk audit findings. The findings from the review performed by the IA, including any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the AC and the Board. Timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored by the AC. Nexia TS is a company of Nexia TS Public Accounting Corporation, which is recognised as an established mid-tier accounting firm for more than 25 years. Nexia TS possesses vast experience in providing internal audits, risk management services and advisory services in the region. The current engagement team assigned comprises 3 members and is led by the engagement director who is a Chartered Accountant (Singapore), a member of the Institute of Internal Auditors (Singapore) and has more than 13 years of experience performing internal audits for listed companies, Government Ministries and statutory boards, non-profit organisations and institution of Public Character. Taking into account the above, the AC is of the view that the IA function is independent, effective and adequately resourced.

The Board and the AC work closely with the IA, external auditors and the Management to institute, execute and monitor relevant controls with a view to enhance the Group's risk management system. Having considered the scale of the Group's operation and current existing risk management and internal control system, the Board is of the view that no separate Board risk committee is required for the time being as the Board is currently assisted by the AC, internal and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies.



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The Board has received assurance from (a) the CEO and the Chief Financial Officer (“CFO”) that the financial records have been properly maintained and the financial statements for the financial year ended 31 December 2021 give a true and fair view of the Company’s operations and finances; and (b) the CEO, Executive Directors and the CFO that the Company’s risk management and internal control systems in place is adequate and effective in addressing the material risks in the Company in its current business environment including material financial, operational, compliance and information technology controls, and risk management systems.

Based on the assurance from the CEO, Executive Directors and CFO referred to in the preceding paragraph, the various internal controls put in place by the Group, the work performed and reports submitted by the internal auditors of the Group and the reviews carried out by the Board and the AC, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal control systems of the Group, addressing financial, operational, compliance and information technology controls, were adequate and effective as at 31 December 2021.

An overview of the key risks, the extent of the Group’s exposure and the approach to managing these risks are set out on pages 139 to 151 of the Annual Report.

## 10. AUDIT COMMITTEE

**Principle 10: The Board has an Audit Committee which discharges its duties objectively.**

The AC comprises Mr. Francis Yau, Mr. Shamsul Kamar and Mr. Danny Lim, all of whom are Independent Non-Executive Directors. The chairman of the AC is Mr. Francis Yau. No former partner or Director of the Company’s existing audit firm or auditing corporation is a member of the AC and none of them have financial interest in the Company’s existing auditing or auditing corporation. The members of the AC have sufficient accounting or financial management expertise, as interpreted by the Board in its business judgment, to discharge the AC’s functions.

The written terms of reference of the AC have been approved and adopted. The key responsibilities of the AC include:

- (a) review with the external auditors the audit plans, their evaluation of the system of internal controls, their audit report, their management letter and the management’s response thereto;
- (b) review with the internal auditors the internal audit plans, which includes a review of the interested person transactions including the guidelines and procedures for the monitoring of all such transactions, and their evaluation of the adequacy of our internal control (including the effectiveness of the procedures in relation to compliance with the rules and regulations applicable to the Group’s operations), accounting system and the management’s response before submission of the results of such review to the Board for approval prior to the incorporation of such results in the Company’s annual report (where necessary);
- (c) review the half yearly and annual consolidated financial statements and any formal announcements relating to the Group’s financial performance, and discuss on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, significant reporting issues and judgements, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of management to ensure the integrity of the consolidated financial statements and the announcements relating to the Group’s financial performance, where necessary, before submission to the Board for approval;

- (d) review the internal control and procedures and ensure co-ordination between the external and internal auditors and the Management, and review the assistance given by the Management to the auditors, and discuss problems and concerns, and any matters which the auditors may wish to discuss in the absence of the Management, where necessary;
- (e) review and report to the Board at least annually on the adequacy and effectiveness of the Company's risk management and internal controls;
- (f) review and discuss with the external and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
- (g) review the independence and objectivity of the external and internal auditors, taking into account the non-audit services provided by them, as well as consider the appointment or re-appointment of the external and internal auditors and matters relating to resignation or dismissal of the auditors, including approving the remuneration and terms of engagement of the external and internal auditors;
- (h) make recommendations to the Board on the proposals to the Shareholders with regard to the appointment, re-appointment and removal of external and internal auditors, and approve the remuneration and terms of engagement of the auditors;
- (i) review all interested person transactions and determine methods or procedures for checking that the transaction prices are adequate for transactions to be carried out on normal commercial terms, and that they will not prejudice the Company or its minority shareholders;
- (j) review potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interest;
- (k) review key financial risk areas and key audit matters, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNet;
- (l) review all hedging policies and instruments, if any, to be implemented by the Group;
- (m) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- (n) review the policy and procedures by which the employees may, in confidence, raise concerns to the chairman of the AC on possible improprieties in matters of financial reporting or other matters, and ensure that there are arrangements in place for the independent investigations of such matter and for appropriate follow-up in relation thereto;
- (o) review the Company's programmes and policies to identify and prevent fraud as well as work with management to oversees the establishment of appropriate controls and anti-fraud programmes;
- (p) review and discuss with investigators, any suspected fraud, irregularity, or failure of internal controls or suspected infringement of any relevant laws, rules or regulations of the jurisdictions in which the Group operates, which has or is likely to have a material impact on our Group's operating results or financial position, and our Management's response thereto;

# CORPORATE GOVERNANCE REPORT

- (q) review the adequacy and effectiveness of the risk management and internal control (including financial, operational, compliance and information technology controls), and states whether the AC concurs with the Board's comment on adequacy and effectiveness of the company's internal controls and risk management systems. These may include reviewing management and/or assurance provider reports to highlight significant findings and recommendations, including Management's responses;
- (r) review the assurance provided by the CEO and CFO on the financial records and financial statements;
- (s) review the assurance provided by the CEO and other KMP on the effectiveness of risk management and internal controls; and
- (t) review of Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, including such amendments made thereto from time to time.

The AC has full authority to investigate any matter within its terms of reference, full access to and cooperation from the Management, and full discretion to invite any Director, executive officer or other employee of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

During FY2021, the external auditors and internal auditors were invited to attend the AC meetings to present their audit plan and audit findings report to the AC. The AC has met with the external and internal auditors without the presence of the Management, twice during FY2021.

The external auditors update the AC on any changes in accounting standards impacting the financial statements of the Group before an audit commences. Significant matters that were discussed with the Management and the external auditors have been included as key audit matters as set out in the Auditors' Report for FY2021.

The following key audit matters were discussed between external auditors and Management, and reviewed by the AC.

Key Audit Matter	How the AC reviewed these matters and what decisions were made
Impairment Assessment on Goodwill	The AC has considered and is satisfied with the approach and methodology applied to the valuation model in goodwill impairment assessment as well as the assessment for indicators of impairment of intangible assets. The external auditors shared their approach to the impairment review as part of their presentation of the detailed audit plan and final audit findings. The impairment review is an area of focus for the external auditors. The external auditors has included it as a key audit matter in the independent auditors' report for the financial year ended 31 December 2021. Please refer to page 59 of this Annual Report.
Recoverability of Loan Receivable from an Associate	The AC has considered and is satisfied with the approach and methodology applied to the evaluation of recoverability of loan receivable from an associate. The external auditors shared their approach to the impairment review as part of their presentation of the detailed audit plan and final audit findings. The impairment review is an area of focus for the external auditors. The external auditors has included it as a key audit matter in the independent auditors' report for the financial year ended 31 December 2021. Please refer to page 60 of this Annual Report.

The fees paid and payable by the Company to the external auditors, Mazars LLP in FY2021 for audit and non-audit services amounted to S\$247,800 and S\$45,385 respectively. The AC, having undertaken a review of all non-audit services provided by the external auditors which relate to taxation services and financial due diligence services provided to the Group, is of the opinion that such services would not affect the independence of the external auditors. In reviewing the nomination of Mazars LLP for reappointment for the financial year ending 31 December 2021, the AC and the Board are satisfied with the standard and quality of work performed by Mazars LLP and have recommended the nomination of Mazars LLP for reappointment as external auditors of the Company for the ensuing year be tabled for shareholders' approval at the forthcoming AGM.

The Company has complied with Rules 712 and 715 of the Catalist Rules in relation to its external auditors for FY2021.

The AC reviewed the financial statements of the Group and the Company before submitting them to the Board for its approval and the announcement of the financial results. The AC also reviewed and monitored the Group's and the Company's financial condition, internal and external audits, and the effectiveness of the Group's and the Company's system of accounting and internal controls.

The internal auditors report directly to the AC. The AC approves the engagement, removal, evaluation and compensation of the internal auditors. The internal auditors has full access to the Company's documents, records, properties and personnel. The AC is satisfied that the internal audit firm is staffed by suitably qualified and experienced persons. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit.

The Group is committed to the high standard of ethical, moral and legal business conduct and has in place a whistle-blowing policy. The policy aims to provide an avenue for employees and external parties to raise concerns about misconduct or improprieties in the Group and at the same time assure them that they will be protected from victimization for whistle-blowing in good faith. Cases that are significant are reviewed by the AC for adequacy of investigation actions and resolutions. The Company's Whistle-blowing policy is available on the Company's website at <http://advancer.sg/our-company/whistleblow/>. There was no such incident reported to the AC during FY2021.

## 11. SHAREHOLDERS RIGHTS AND CONDUCT OF GENERAL MEETINGS

**Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

The Board strongly encourages shareholders to participate in and vote at general meetings. Shareholders are informed on a timely basis of general meetings through notices published in the newspapers and through reports or circulars sent to all shareholders.

The Company tables separate resolutions at general meetings on each distinct issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation or circular in respect of the proposed resolution. A proxy form is sent with the notice of general meeting to the shareholders. The resolutions will be put to vote by poll and an announcement of the results showing the number of votes cast for and against each resolution and the respective percentages for general meetings will be made subsequent to the meeting.



# CORPORATE GOVERNANCE REPORT

The Company encourages shareholders' participation at general meetings and all shareholders are given the opportunity to voice their views and to direct queries regarding the Group to Directors, including the chairman of each of the Board Committees. All Directors and the Company's external auditors were present at the last AGM held on 29 April 2021 save for Mr. Vincent Leow (retired director) and Mr. Takehito Hirano (who has committed to a meeting).

The Constitution of the Company currently allows a member of the Company who is not a relevant intermediary to appoint up to two proxies and for a member who is a relevant intermediary to appoint more than two proxies to attend and vote and general meetings.

For the upcoming AGM, voting at the AGM is by proxy only. Shareholders who wish to vote on any or all of the resolutions at the AGM, appointed the Chairman of the Meeting as their proxy by completing the proxy form for the AGM, and submitted the proxy form by post or by email to the Company seventy-two (72) hours before the AGM.

For the time being, the Company has decided not to allow for absentia voting methods such as by mail, email and fax at the general meetings due to concerns over the authentication of shareholders' identity. Voting in absentia by mail, email or fax will only be permitted under the until security, integrity and other pertinent issues are satisfactorily resolved.

The minutes of general meetings, substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting and responses from the Board and Management are available on the Company's website. In compliance with the requirements stipulated in the Order 2020, the Company will publish the minutes of the AGM on SGXNet within one (1) month from the date the AGM is held.

The Company currently does not have a formal dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, financial position, capital needs, plans for future growth, working capital and other factors as the Board may deem appropriate. No dividend has been declared or recommended for FY2021 in view of the economic uncertainty resulted from the COVID-19 pandemic and its potential impact to the Group's business.

## 12. ENGAGEMENT WITH SHAREHOLDERS

**Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable due to confidentiality reasons. The Company does not practice preferential and selective disclosure to any group of shareholders.

The Company has its internal corporate affairs team, who facilitates communications with shareholders and analysts, attend to their queries or concerns and keep them apprised of the Group's corporate developments and financial performance. The enquiries can be posted through the Company's website <http://advancer.sg/contact-us/>.

## 13. ENGAGEMENT WITH STAKEHOLDERS

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

The Group has made efforts to seek the opinions of many stakeholders either through informal or formal means by evaluating the needs and expectations of key stakeholder groups which are significant to the Group's value creation strategy and strive to build mutually beneficial relationships.

The Group has identified diverse stakeholder groups based on their level of influence in the business and also regularly engage and consult all stakeholder groups for any feedback and suggestions. Where appropriate and relevant to the business, the Company will incorporate their feedback into the Group's plans and actions.

General information on the Group such as annual reports, financial results, news releases and investor relations contacts are provided on the Company's website.

For more information on the Company's stakeholder engagement, please refer to the Company's Sustainability Report which will be released by May 2022.

## DEALINGS IN SECURITIES

In compliance with the Catalist Rules on dealings in securities, Directors and employees of the Company are advised not to deal in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company shall not deal in and prohibits dealings in its shares by its Directors, officers and employees of the Group, who are in possession of unpublished price sensitive information, during the period commencing one month before the announcement of the Company's half-year and full-year financial statements, and ending on the date of the announcement of the results.

## INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

During FY2021, the Group did not enter into any interested person transactions of S\$100,000 and more. The Group does not have a general mandate pursuant to Rule 920 of the Catalist Rules for interested person transactions.

## MATERIAL CONTRACT

There were no material contracts of the Group involving the interests of the CEO, each Director or controlling shareholder, either still subsisting at the end of FY2021 or if not than subsisting except for Directors' remuneration as disclosed in the Financial Statements in this Annual Report.

# CORPORATE GOVERNANCE REPORT

## NON-SPONSOR FEES

For FY2021, no non-sponsor fees were paid to its sponsor, SAC Capital Private Limited.

## USE OF NET SUBSCRIPTION PROCEEDS

As at the date of this Report, the utilisation of the net subscription proceeds from the Company's issue and allotment of 65,000,000 subscription shares on 31 August 2018 is set out as below:

	Amount allocated S\$ million	Amount utilised S\$ million	Balance 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 <sup>(1)</sup>	5.44	(4.47)	0.97
Investment in money market instruments and/or quoted securities	4.00	(2.08)	1.92
	<u>21.74</u>	<u>(9.29)</u>	<u>12.45</u>

Note:

<sup>(1)</sup> Breakdown of the general and corporate working capital requirement:

	S\$'000
Professional and listing related expenses	910
Administrative expenses – staff costs	507
Administrative expenses - others	79
Purchase of inventory for a subsidiary	170
Repayment of loan incurred by a subsidiary	300
Advances to subsidiaries for operational expenses	2,500
	<u>4,466</u>

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Chin Mei Yang, Mr. Ong Eng Tiang, Mr. Takehito Hirano and Mr. Shamsul Kamar Bin Mohamed Razali are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened and held on 29 April 2022 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(5) of the Catalyst Rules, the following is the information relating to the Retiring Directors as set out in Appendix 7F to the Catalyst Rules of SGX-ST:

	MR. CHIN MEI YANG	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. SHAMSUL KAMAR BIN MOHAMED RAZALI
Date of Appointment	2 February 2016	9 June 2016	16 October 2018	1 June 2021
Date of last re-appointment	29 April 2019	29 June 2020	29 April 2019	N.A.
Age	52	54	60	50
Country of principal residence	Singapore	Singapore	Japan	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-appointment of Mr. Chin Mei Yang (“ <b>Mr. Gary Chin</b> ”) as Executive Director of the Company was recommended by the Nominating Committee (“ <b>NC</b> ”) and approved by the Board of Directors after having considered his past contribution and suitability. The Board have reviewed and concluded that Mr. Gary Chin possess the experience, expertise, knowledge and skills to continue contributing towards the existing businesses of the Group.	The re-appointment of Mr. Ong Eng Tiang (“ <b>Mr. Ong</b> ”) as Executive Director of the Company was recommended by the NC and approved by the Board of Directors after having considered his past contribution and suitability. The Board have reviewed and concluded that Mr. Ong possess the experience, expertise, knowledge and skills to continue contributing towards the existing businesses of the Group.	The re-appointment of Mr. Takehito Hirano (“ <b>Mr. Hirano</b> ”) as a Non-Independent Non-Executive Director of the Company was recommended by the NC and approved by the Board of Directors after having reviewed and concluded that Mr. Hirano possess the experience, expertise, knowledge, and skills to contribute towards the core competencies of the Board.	The re-appointment of Mr. Shamsul Kamar Bin Mohamed Razali (“ <b>Mr. Shamsul</b> ”) as Independent Non-Executive Director of the Company was recommended by the NC and approved by the Board of Directors after having considered Mr. Shamsul's work experience and expertise.

# CORPORATE GOVERNANCE REPORT

	MR. CHIN MEI YANG	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. SHAMSUL KAMAR BIN MOHAMED RAZALI
Whether appointment is executive, and if so, the area of responsibility	Executive Mr. Gary Chin is responsible for the overall administration, operation and management of the Group.	Executive Mr. Ong is responsible for heading the Facilities Management Services division of the Group as well as overseeing the daily operations, including marketing strategies and manpower deployment of the facilities management businesses.	Non-Executive	Non-Executive
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer	Executive Director	Non-Independent Non-Executive Director	Independent Non-Executive Director Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee
Professional qualifications	Bachelor of Engineering (Hons) from the University of Aberdeen, Scotland	Bachelor of Business Administration from the University of Wisconsin-Madison, United States of America	Bachelor of Economics from Kanagawa University, Kanagawa, Japan	Bachelor of Arts (Diploma in Education) from Nanyang Technological University Master of Arts (Southeast Asian Studies), National University of Singapore



# CORPORATE GOVERNANCE REPORT

	MR. CHIN MEI YANG	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. SHAMSUL KAMAR BIN MOHAMED RAZALI
Working experience and occupation(s) during the past 10 years	<p>January 2009 to July 2015: Director of Nation Employment Pte Ltd</p> <p>April 2017 to May 2019: Director of AGS Integration Pte. Ltd.</p> <p>February 2016 to present: CEO of Advancer Global Limited</p>	<p>March 2001 to May 2016: General Manager of First Stewards Private Limited (director of First Stewards Private Limited from 2 August 2004 to 28 March 2006)</p> <p>February 2015 to October 2020: Director of Advancer Smart Technology Pte. Ltd.</p> <p>November 2011 to present: Director of KH Security Agency Pte. Ltd.</p> <p>June 2016 to present: Executive Director of Advancer Global Limited</p>	<p>F-PLAIN Corporation</p> <ul style="list-style-type: none"> <li>- Representative Director and Chairman: April 2017 to present</li> <li>- Representative Director: July 2006 to April 2017 Fullcast Holdings Co., Ltd.</li> </ul> <p>Fullcast Holdings Co., Ltd.</p> <ul style="list-style-type: none"> <li>- Director and Chairman: March 2015 to present</li> <li>- Director and Senior Advisor: December 2009 to March 2015</li> </ul> <p>February 2020 to present: Chief Executive Officer of DLEAGUE.inc</p>	<p>2006 to 2017: Chairman of the Ministry of Social and Family Development (MSF), Review Board, Committee 6, Board of Visitors (Children and Young Persons Homes)</p> <p>2007 to 2016: Chairman, Board of Visitors (MSF, Children's Young &amp; Persons Act)</p> <p>2019 to 2022: Member, Mendaki Tuition Scheme (MTS) Review Panel</p> <p>1997 to 2015: Education Officer of Ministry of Education</p> <p>2020 to 2021: Member, M3 FA4 Taskforce Workgroup Panel</p> <p>2015 to 2021: Executive Director of Centre for Domestic Employees, NTUC</p>
Shareholding interest in the listed issuer and its subsidiaries	Direct interest : 30,931,018	Direct interest : 19,985,436	Deemed interest : 65,000,000 shares held by Fullcast in the Company.	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	<p>Mr. Gary Chin is brother of Mr. Desmond Chin (Executive Director) and Mr. Francis Chin (Executive Officer and substantial shareholder).</p>	None	<p>Mr. Hirano and his family have 100% ordinary shares in Hirano Associates Co., Ltd. (of which Mr. Hirano himself holds 18.04% of its ordinary shares). Hirano Associates Co., Ltd. holds 36.35% ordinary shares in Fullcast which in turn holds 25.88% of Advancer Global Limited. In addition, Mr. Hirano is a director and the chairman of Fullcast.</p>	None

# CORPORATE GOVERNANCE REPORT

	MR. CHIN MEI YANG	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. SHAMSUL KAMAR BIN MOHAMED RAZALI
Conflict of interest (including any competing business)	None	None	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes
<b>Other Principal Commitments Including Directorships</b>				
Past (for the last 5 years)	Singapore Accredited Employment Agencies Association Ltd.	Mengna & Co. Pte. Ltd. (struck off) Advancer Smart Technology Pte. Ltd. ET. & MC Pte. Ltd. (Struck off) Patrick View Development Pte Ltd (struck off)	-	Education Officer, Ministry of Education Executive Director, Centre for Domestic Employees, NTUC Chairman of the Ministry of Social and Family Development (MSF), Review Board, Committee 6, Board of Visitors (Children and Young Persons Homes) Chairman, Board of Visitors (MSF, Children's Young & Persons Act Member, Mendaki Tuition Scheme (MTS) Review Panel Member, M3 FA4 Taskforce Workgroup Panel
Present	First Noble Pte. Ltd. Arise Team Pte. Ltd.	Advancer Global Facility Pte. Ltd. KH Security Agency Pte. Ltd.	Director and Chairman, Fullcast Holdings Co., Ltd. Representative Director and Chairman, F-PLAIN Corporation Chief Executive Officer, D.LEAGUE.inc	G.H.Y Culture & Media Holding Co., Limited Advisor to AlJumied GRC GRDs (Kaki Bukit) Chairman, PAP Community Foundation (PCF Kaki Bukit)

	MR. CHIN MEI YANG	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. SHAMSUL KAMAR BIN MOHAMED RAZALI
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</b>				
a) Whether at any time during the last 10 years, an application or petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or any time within 2 years from the date he ceased to be a partner?	No	No	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or whether that entity is the trustee of a business trust, that business trust, on the group of insolvency?	No	No	No	No
c) Whether there is any unsatisfied judgement against him?	No	No	No	No

# CORPORATE GOVERNANCE REPORT

	MR. CHIN MEI YANG	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. SHAMSUL KAMAR BIN MOHAMED RAZALI
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud of dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law of regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation of dishonesty on his part?	No	No	No	No

	MR. CHIN MEI YANG	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. SHAMSUL KAMAR BIN MOHAMED RAZALI
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No



# CORPORATE GOVERNANCE REPORT

MR. SHAMSUL KAMAR BIN MOHAMED RAZALI

MR. TAKEHITO HIRANO

MR. ONG ENG TIANG

MR. CHIN MEI YANG

<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p>	<p>Yes</p> <p>(Please refer to page 209 and 210 of Company's Offer Document dated 30 June 2016).</p>	<p>Yes</p> <p>(Please refer to page 210 and 211 of Company's Offer Document dated 30 June 2016).</p>	<p>Yes</p> <p>1. Fullcast received orders on 3 August 2007 by the Tokyo Labor Bureau to suspend its worker dispatching business and to improve its worker dispatching operations, on the grounds that it has violated the Law for Securing the Proper Operations of Worker Dispatching undertakings and Improved Working Conditions for Dispatched Workers. In response, Fullcast implemented disciplinary actions against the people involved, including directors and executive of control systems.</p>	<p>No</p>
			<p>2. On 3 October 2008, additional sanctions were imposed on Fullcast by the Tokyo Labor Bureau to suspend its worker dispatching business for a month (from 10 October 2008 to 9 November 2008) and to improve its worker dispatching operations due to its worker dispatching operations due to its violation of the earlier suspension order issued on 3 August 2007.</p>	

	MR. CHIN MEI YANG	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. SHAMSUL KAMAR BIN MOHAMED RAZALI
			Subsequent to the lifting of the one month suspension, Fullcast announced on 16 January 2009, its completion of the improvements required under the operational improvement order.	
			The above incidences were publicly disclosed through Fullcast's press releases and all suspension orders and improvements have been concluded with no reoccurrences of lapses.	
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere	No	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?				

# CORPORATE GOVERNANCE REPORT

	MR. CHIN MEI YANG	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. SHAMSUL KAMAR BIN MOHAMED RAZALI
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No

The directors present their statement to the members together with the audited financial statements of Advancer Global Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2021 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2021.

## 1. Opinion of the directors

In the opinion of the directors,

- (i) the financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. Directors

The directors of the Company in office at the date of this statement are:

### Executive directors

Chin Mei Yang (Chief Executive Officer)  
Chin Mui Hiong  
Ong Eng Tiang

### Non-executive director

Takehito Hirano

### Independent directors

Lim Teck Chai, Danny (Non-Executive Chairman)  
Shamsul Kamar Bin Mohamed Razali (Appointed on 1 June 2021)  
Yau Thiam Hwa

## 3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

# DIRECTORS' STATEMENT

## 4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as disclosed below:

	<u>Direct interest</u>		<u>Deemed interest</u>	
	<u>As at 1 January 2021</u>	<u>As at 31 December 2021</u>	<u>As at 1 January 2021</u>	<u>As at 31 December 2021</u>
<b><u>The Company</u></b>				
<b><u>Ordinary shares</u></b>				
Chin Mei Yang	30,931,018	30,931,018	-	-
Chin Mui Hiong	37,573,963	37,573,963	-	-
Ong Eng Tiang	19,985,436	19,985,436	-	-
Lim Teck Chai, Danny	-	-	642,500	642,500
Takehito Hirano	-	-	65,000,000	65,000,000

Takehito Hirano and his family hold 100% ordinary shares in Hirano Associates Co., Ltd. (of which Takehito Hirano himself holds 18.04% ordinary shares). In addition, Takehito Hirano is a director and the chairman of Fullcast Holdings Co., Ltd.. Hirano Associates Co., Ltd. holds 36.35% ordinary shares in by Fullcast Holdings Co., Ltd., which in turn holds 25.88% ordinary shares of Advancer Global Limited (excluding treasury shares) as at 31 December 2021. Hence, Takehito Hirano and Hirano Associates Co., Ltd. are deemed interested in the 65,000,000 shares held by Fullcast Holdings Co., Ltd. in the Company by virtue of Section 7 of the Act.

Lim Teck Chai, Danny holds 642,500 shares of Advancer Global Limited through iFast Financial Pte. Ltd. (a nominee). Hence, Lim Teck Chai, Danny is deemed interested in the 642,500 shares held by custodian, iFast Financial Pte. Ltd. in the Company by virtue of Section 7 of the Act.

The directors' interests in the shares of the Company on 21 January 2022 were the same as at 31 December 2021.

## 5. Advancer Global Employee Share Option Scheme

The Employee Share Option Scheme (the "ESOS") of the Company was approved and adopted on 6 June 2016. The ESOS is administered by the Company's Remuneration Committee, which comprises three independent directors:

Lim Teck Chai, Danny (Chairman)  
Yau Thiam Hwa  
Shamsul Kamar Bin Mohamed Razali

The ESOS entitles the option holder to subscribe for a specific number of ordinary shares in the Company at a subscription price per share determined with reference to the market price of the share at the time of grant of option.



## 5. Advancer Global Employee Share Option Scheme (Continued)

Other information regarding the ESOS is set out below:

- (i) Group employees (including Directors of the Company) who have attained the age of 21 years and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have been in the employment of the Group for a period of at least 12 months, or such shorter period as the Remuneration Committee may determine, are eligible to participate in the ESOS.
- (ii) The maximum discount shall not exceed 20% of the market price on the date of the grant of the options.
- (iii) The options granted with the exercise price set at market price should only be exercised after the first anniversary from the grant date and before the tenth anniversary of the grant date.
- (iv) The option granted with exercise price set at a discount to market price should only be exercised after the second anniversary from the grant date and before the tenth anniversary of the grant date.
- (v) The option shall immediately lapse and become null and void when the participant cease to be in employment of the Group.
- (vi) All options are settled by delivery of shares.

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

Date of grant	Balance as at 1 January 2021	Lapsed	Balance as at 31 December 2021	Exercise price per share (S\$)	Exercisable period
20 April 2017	908,000	(49,000)	859,000	0.40	19 April 2019 to 19 April 2022

Since the commencement of the ESOS, no options have been granted to the controlling shareholders and directors of the Company or their associates and no participants under the ESOS have been granted 5% or more of the total number of options available under the ESOS.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

# DIRECTORS' STATEMENT

## 6. Audit Committee

The Audit Committee (“AC”) of the Company comprises three independent directors and at the date of this report, they are:

Yau Thiam Hwa (Chairman)  
Shamsul Kamar Bin Mohamed Razali  
Lim Teck Chai, Danny

The AC has convened two meetings during the financial year with key management and the internal and external auditors of the Company.

The AC carried out its functions in accordance with Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the AC:

- (i) reviewed the audit plan and results of the external audit, the independence and objectivity of the external auditors, including, where applicable, the review of the nature and extent of non-audit services provided by the external auditors to the Group, and the assistance given by the Group’s and the Company’s management to the external auditors;
- (ii) reviewed the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group’s system of internal accounting controls, and the assistance given by the Group’s and the Company’s management to the internal auditors;
- (iii) reviewed the Group’s annual financial statements and the external auditors’ report on the annual financial statements of the Group and of the Company before their submission to the Board of Directors;
- (iv) reviewed the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company including significant adjustments resulting from audit, significant financial reporting issues and judgements as well as compliance with accounting standards;
- (v) reviewed the effectiveness of the Group’s and the Company’s material internal controls, including financial, operational, compliance and information technology controls, and risk management systems via reviews carried out by the internal auditors;
- (vi) met with the external auditors, internal auditors, other committees, and management in separate executive sessions to discuss suspected fraud or irregularity (if any), potential conflicts of interests (if any), and any matters that these groups believe should be discussed privately with the AC;
- (vii) reviewed and checked the Group’s compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;
- (viii) reviewed interested person transactions in accordance with SGX listing rules;
- (ix) reviewed the nomination of external auditors and gave approval of their compensation; and
- (x) submitted of report of actions and minutes of the AC to the Board of Directors with any recommendations as the AC deemed appropriate.

## 6. Audit Committee (Continued)

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the AC.

The AC has recommended to the Board of Directors the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

## 7. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

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**Chin Mui Hiong**  
Director

Singapore  
11 April 2022

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**Chin Mei Yang**  
Director

# INDEPENDENT AUDITORS' REPORT

To The Members Of Advancer Global Limited

## Report on the Audit of Financial Statements

### *Opinion*

We have audited the financial statements of Advancer Global Limited (the “**Company**”) and its subsidiaries (the “**Group**”) which comprise the statements of financial position of the Group and of the Company as at 31 December 2021, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (“**SSAs**”). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“**ACRA**”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (the “**ACRA code**”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Overview*

#### Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

#### Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

#### Scope of audit

For the audit of the current year’s financial statements, we performed full scope audit of all 23 components as the appointed statutory auditors, and we identified 13 significant components, either because of their size or/and their risk characteristics.

#### Area of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgements and estimates to be made by directors.

# INDEPENDENT AUDITORS' REPORT

To The Members Of Advancer Global Limited

## Report on the Audit of Financial Statements (Continued)

We will elaborate on the salient areas of focus as follows:

- Impairment Assessment on Goodwill; and
- Recoverability of Loan Receivable from an Associate

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters include the aforementioned salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Impairment Assessment on Goodwill</b> <i>Refer to Note 3 for critical accounting judgements and key sources of estimation uncertainty, and Note 11 (Goodwill on consolidation) for disclosures relating to the impairment assessment.</i>	
<b>Key Audit Matter</b>	<b>Audit Response</b>
<p>As at 31 December 2021, the Group reported goodwill arising from the acquisition of subsidiaries with carrying value approximately S\$4.4 million.</p> <p>Irrespective of whether there is any indication of impairment, the management is required to perform an impairment assessment of goodwill annually.</p> <p>The recoverable amounts are determined based on estimates of forecasted revenues, growth rates and discount rates. These estimates require judgement and the determination of the recoverable amounts is a key focus area in our audit.</p>	<p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Discussed with management on their planned strategies around business expansion, revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers, and obtained the list of secured and lost contracts;</li> <li>• Assessed the achievability of the forecast based on actual results with comparison to the previous forecast;</li> <li>• Evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's estimates applied in the value-in-use ("VIU") models, with comparison to recent performance, trend analysis and market expectations;</li> <li>• Involved internal valuation expert on the assessment of VIU models; and</li> <li>• Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the cash-generating units ("CGU") subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.</li> </ul>



# INDEPENDENT AUDITORS' REPORT

To The Members Of Advancer Global Limited

## Report on the Audit of Financial Statements (Continued)

Key Audit Matters (Continued)

<b>Recoverability of Loan Receivable from an Associate</b> <i>Refer to Note 2.16 for Financial Instruments accounting policy, Note 3 for critical accounting judgements and key sources of estimation uncertainty, Note 20 (Trade and Other Receivables) and Note 31 (Financial instruments and financial risks) for disclosures relating to the loss allowance for other receivables.</i>	
Key Audit Matter	Audit Response
<p>As at 31 December 2021, the Group recorded a loan receivable of S\$2.5 million from an associate, G3 Environmental Private Limited (“G3”), which is non-interest bearing and repayable on demand.</p> <p>The principal activities of G3 and its subsidiaries (collectively referred herein as the “G3 Group”) are commercial/industrial real estate management and collection and recycling of metal waste and scraps.</p> <p>Based on the management accounts as at 31 December 2021, G3 Group’s current liabilities and total liabilities exceeded its current assets and total assets by S\$4.4 million and S\$1.1 million, respectively. G3 Group has cash and cash balances of S\$7.4 million and amount due to shareholders of S\$12.4 million.</p> <p>Given the above financial condition of G3, it has been assessed that there is no significant increase in credit risk from initial recognition. Management assessed the expected credit losses (“ECL”) relating to the loan receivable from G3 based on lifetime ECL. The Group considered the ability of G3 to settle the loan on a repayable on demand basis. 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. G3 has obtained the confirmation from other shareholders not to demand for repayment for at least 12 months.</p> <p>Accordingly, the Group determined that there is no ECL for the loan receivable from its associate.</p>	<p>Our audit procedures focused on evaluating and challenging the key assumptions used by management in conducting the impairment review. These procedures included:</p> <ul style="list-style-type: none"> <li>Performed a credit risk analysis of G3 by assessing its historical and current financial performance, net current asset/(liability) and net equity/(capital deficiency) position;</li> <li>Evaluated the assumptions used by the management in assessing the adequacy of impairment allowances for G3;</li> <li>Compared the management’s assumptions for both collective and individual impairment allowances to externally available industry, financial and economic data and our own assessments in relation to key inputs, including background checks on the corresponding customers’ financial standing and researched for any adverse news relating to these customers’ operations or financial positions;</li> <li>Critically assessed the management’s estimates and assumptions, specifically in respect of the consistency of judgement applied in the use of economic factors and the observation period for historical default rates;</li> <li>Assessed the appropriateness of the accounting treatment applied to loan receivable from G3 including recognition in accordance with SFRS(I) 9 <i>Financial Instruments</i>; and</li> <li>Confirmed the existence, legality and enforceability of arrangements of the associate’s immediate holding company and other shareholder not to demand for repayment of the proportionate shareholders’ loans for the period agreed.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To The Members Of Advancer Global Limited

## Report on the Audit of Financial Statements (Continued)

### *Other information*

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# INDEPENDENT AUDITORS' REPORT

To The Members Of Advancer Global Limited

## Report on the Audit of Financial Statements (Continued)

### *Auditors' Responsibilities for the Audit of the Financial Statements (Continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITORS' REPORT

To The Members Of Advancer Global Limited

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary entities incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lai Keng Wei.

**MAZARS LLP**  
Public Accountants and  
Chartered Accountants

Singapore  
11 April 2022

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year ended 31 December 2021

	Note	2021 S\$'000	2020 S\$'000
<b>Revenue</b>	4	60,132	56,391
Cost of sales		<u>(46,701)</u>	<u>(43,518)</u>
<b>Gross profit</b>		13,431	12,873
Other operating income	5	3,539	10,030
Administrative expenses		(20,800)	(17,714)
Finance expenses	6	(116)	(140)
Share of losses from equity-accounted for associates	14	<u>(180)</u>	<u>(98)</u>
<b>(Loss)/Profit before income tax</b>	7	(4,126)	4,951
Income tax credit	9	<u>14</u>	<u>36</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR</b>		<u><u>(4,112)</u></u>	<u><u>4,987</u></u>
<b>(Loss)/Profit for the financial year attributable to:</b>			
Owners of the Company		(4,045)	4,525
Non-controlling interests		<u>(67)</u>	<u>462</u>
<b>(Loss)/Profit for the financial year</b>		<u><u>(4,112)</u></u>	<u><u>4,987</u></u>
<b>Total comprehensive (loss)/income for the financial year attributable to:</b>			
Owners of the Company		(4,045)	4,525
Non-controlling interests		<u>(67)</u>	<u>462</u>
<b>Total comprehensive (loss)/income for the financial year</b>		<u><u>(4,112)</u></u>	<u><u>4,987</u></u>
<b>(Loss)/Earnings per share attributable to owners of the Company (cents per share)</b>			
Basic and diluted	10	<u><u>(1.61)</u></u>	<u><u>1.80</u></u>

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

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group		Company	
		2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill on consolidation	11	4,425	5,440	-	-
Intangible assets	12	539	666	-	-
Investments in subsidiaries	13	-	-	11,487	11,486
Investments in associates	14	396	396	-	-
Other investments	15	125	624	-	-
Property, plant and equipment	16	2,007	2,296	-	-
Right-of-use assets	17	1,860	2,338	-	-
Deferred tax assets	18	28	28	-	-
<b>Total non-current assets</b>		<b>9,380</b>	<b>11,788</b>	<b>11,487</b>	<b>11,486</b>
<b>Current assets</b>					
Inventories	19	697	1,047	-	-
Other investments	15	2,506	1,007	2,506	1,007
Trade and other receivables	20	14,679	18,659	11,008	14,365
Cash and bank balances	21	24,797	27,617	15,620	16,182
<b>Total current assets</b>		<b>42,679</b>	<b>48,330</b>	<b>29,134</b>	<b>31,554</b>
<b>Total assets</b>		<b>52,059</b>	<b>60,118</b>	<b>40,621</b>	<b>43,040</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	22	40,607	40,607	40,607	40,607
Treasury shares	22	(241)	(232)	(241)	(232)
Retained earnings		3,352	9,375	58	2,001
Other reserves	23	(2,851)	(2,830)	106	112
<b>Equity attributable to owners of the Company</b>		<b>40,867</b>	<b>46,920</b>	<b>40,530</b>	<b>42,488</b>
<b>Non-controlling interests</b>		<b>686</b>	<b>798</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>41,553</b>	<b>47,718</b>	<b>40,530</b>	<b>42,488</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	18	85	123	-	-
Lease liabilities	17	698	1,129	-	-
Bank borrowing	25	530	562	-	-
<b>Total non-current liabilities</b>		<b>1,313</b>	<b>1,814</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Lease liabilities	17	1,342	1,472	-	-
Trade and other payables	26	6,654	8,205	85	547
Contract liabilities from contracts with customers	27	1,146	793	-	-
Bank borrowing	25	32	30	-	-
Income tax payable		19	86	6	5
<b>Total current liabilities</b>		<b>9,193</b>	<b>10,586</b>	<b>91</b>	<b>552</b>
<b>Total liabilities</b>		<b>10,506</b>	<b>12,400</b>	<b>91</b>	<b>552</b>
<b>Total equity and liabilities</b>		<b>52,059</b>	<b>60,118</b>	<b>40,621</b>	<b>43,040</b>

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



# STATEMENTS OF CHANGES IN EQUITY

For the Financial Year ended 31 December 2021

Group	Note	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
		Share capital	Treasury shares	Retained earnings	Share options reserve	Capital reserve	Merger reserve			
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
					Note 23	Note 23	Note 23			
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	22	-	(9)	-	-	-	-	(9)	-	(9)
Share options forfeited		-	-	2	(2)	-	-	-	-	-
Share options expenses pursuant to the ESOS	7	-	-	-	8	-	-	8	-	8
Acquisition of interest in a subsidiary without change of control	13(g)	-	-	-	-	14	-	14	(14)	-
Acquisition of a subsidiary		-	-	-	-	-	-	-	206	206
Non-controlling interests' investment in a subsidiary		-	-	-	-	-	-	-	10	10
Dividends declared	35	-	-	(1,483)	-	-	-	(1,483)	(166)	(1,649)
<b>Balance at 31 December 2020</b>		<b>40,607</b>	<b>(232)</b>	<b>9,375</b>	<b>112</b>	<b>(339)</b>	<b>(2,603)</b>	<b>46,920</b>	<b>798</b>	<b>47,718</b>
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(4,045)	-	-	-	(4,045)	(67)	(4,112)
Purchase of treasury shares	22	-	(9)	-	-	-	-	(9)	-	(9)
Share options forfeited		-	-	6	(6)	-	-	-	-	-
Share options expenses pursuant to the ESOS	7	-	-	-	*	-	-	*	-	*
Disposal of interest in a subsidiary without change of control	13(c)	-	-	-	-	30	-	30	-	30
Acquisition of interest in a subsidiary without change of control	13(d)	-	-	-	-	(45)	-	(45)	(15)	(60)
Non-controlling interests' investment in subsidiaries	13(a)(f)	-	-	-	-	-	-	-	276	276
Dividends declared	35	-	-	(1,984)	-	-	-	(1,984)	(306)	(2,290)
<b>Balance at 31 December 2021</b>		<b>40,607</b>	<b>(241)</b>	<b>3,352</b>	<b>106</b>	<b>(354)</b>	<b>(2,603)</b>	<b>40,867</b>	<b>686</b>	<b>41,553</b>

\* 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.

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Year ended 31 December 2021

<b>Company</b>	<b>Note</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Retained earnings</b>	<b>Share options reserve</b>	<b>Total</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Balance 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		-	(9)	-	-	(9)
Share options forfeited		-	-	2	(2)	-
Share options expenses pursuant to the ESOS	7	-	-	-	8	8
Dividends declared	35	-	-	(1,483)	-	(1,483)
<b>Balance at 31 December 2020</b>		<b>40,607</b>	<b>(232)</b>	<b>2,001</b>	<b>112</b>	<b>42,488</b>
Profit for the financial year, representing total comprehensive income for the financial year		-	-	35	-	35
Purchase of treasury shares		-	(9)	-	-	(9)
Share options forfeited		-	-	6	(6)	-
Share options expenses pursuant to the ESOS	7	-	-	-	*	*
Dividends declared	35	-	-	(1,984)	-	(1,984)
<b>Balance at 31 December 2021</b>		<b>40,607</b>	<b>(241)</b>	<b>58</b>	<b>106</b>	<b>40,530</b>

\* 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.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year ended 31 December 2021

	Note	2021 S\$'000	2020 S\$'000
<b>Operating activities</b>			
(Loss)/Profit before income tax		(4,126)	4,951
Adjustments for:			
Amortisation of intangible assets	12	281	279
Impairment loss of goodwill	11	1,619	145
Bad debts written-off	7	2	15
Bad debts recovered		-	(*)
Depreciation of property, plant and equipment	16	587	529
Depreciation of right-of-use assets	17	1,680	1,685
Dividend income	5	(53)	(12)
Fair value loss arising from quoted financial assets at FVTPL	7	363	9
Fair value loss/(gain) arising from unquoted financial assets at FVTPL	5,7	486	(12)
Loss/(Gain) on lease modification	5,7	5	(6)
Loss on disposal of property, plant and equipment, net	7	6	-
Gain on bargain purchase arising from acquisition	5	(245)	(325)
Interest expense	6	116	140
Interest income	5	(83)	(245)
Loss allowance for receivables (trade)	7,20	85	104
Property, plant and equipment written-off	7	65	16
Reversal of provision for warranties	7	*	(1)
Share options expenses pursuant to the ESOS	7	*	8
Share of losses from equity-accounted for associates	14	180	98
Unrealised exchange gain		(1)	(4)
Operating cash flows before movements in working capital		967	7,374
Changes in working capital:			
Inventories		350	(100)
Trade and other receivables		3,547	(727)
Trade and other payables		(1,046)	79
Contract liabilities from contracts with customers		353	147
Cash generated from operations		4,171	6,773
Interest received		83	245
Income taxes paid		(118)	(167)
<b>Net cash generated from operating activities</b>		<b>4,136</b>	<b>6,851</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year ended 31 December 2021

	Note	2021 S\$'000	2020 S\$'000
<b>Investing activities</b>			
Dividend received		53	12
Investment in unquoted equity instruments at FVTPL		(607)	-
Net cash (outflow)/inflow on acquisition of subsidiaries	13(b), 13(e), 13(i)	(700)	463
Disposal of non-controlling interests in a subsidiary		30	10
Acquisition of non-controlling interests in a subsidiary		(60)	-
Investment in an associate	14	(180)	-
Repayment from an associate	20	804	-
Proceeds from disposal of property, plant and equipment		118	-
Proceed from disposal of investment in unquoted equity instrument at FVTPL		12	-
Purchase of intangible asset	12	-	(334)
Purchase of quoted equity instruments held at FVTPL	15	(1,862)	(1,016)
Purchase of property, plant and equipment	16	(385)	(460)
<b>Net cash used in investing activities</b>		<b>(2,777)</b>	<b>(1,325)</b>
<b>Financing activities</b>			
Dividends paid to:			
Owners of the Company	35	(1,984)	(1,483)
Non-controlling interests of subsidiaries		-	(214)
Fixed deposit pledged		5	-
Interest paid		(29)	(39)
Non-controlling interests' investment in a subsidiary		180	-
Purchase of treasury shares	22	(9)	(9)
Repayment of bank borrowings		(30)	(29)
Repayment of lease liabilities	17	(1,853)	(1,739)
Repayment to directors		(454)	(47)
<b>Net cash used in financing activities</b>		<b>(4,174)</b>	<b>(3,560)</b>
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
<b>Cash and cash equivalents at end of financial year</b>	21	<b>24,797</b>	<b>27,612</b>

\* 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.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year ended 31 December 2021

## Reconciliation of liabilities arising from financing activities not disclosed in notes:

	Financing cash outflows			Non-cash movements			31 December 2021
	1 January 2021	Interest paid	Repayment made, net	Acquisition	Lease modification	Interest expense	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Liabilities</b>							
Bank borrowing	592	(12)	(30)	-	-	12	562
Lease liabilities	2,601	(17)	(1,853)	1,394	(189)	104	2,040
Amounts due to directors	454 <sup>1</sup>	-	(454)	-	-	-	-

	Financing cash outflows			Non-cash movements			31 December 2020
	1 January 2020	Interest paid	Repayment made, net	Acquisition	Lease modification	Interest expense	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Liabilities</b>							
Bank borrowing	621	(14)	(29)	-	-	14	592
Lease liabilities	3,189	(25)	(1,739)	1,210	(160)	126	2,601
Amounts due to directors	47	-	(47)	-	-	-	-

Note 1:

The opening balance of amount due to directors is recognised in the accruals during the financial year ended 31 December 2020.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

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

## 1. General

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 respective subsidiaries are disclosed in Note 13 to the financial statements.

The financial statements of the Group, and the statement of financial position and the statement of changes in equity of the Company for the financial year ended 31 December 2021 were authorised for issue by the Board of Directors at the date of the Directors’ Statement.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) including related Interpretations of SFRS(I) (“**SFRS(I) INTs**”) and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar (“**S\$**”) which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand (“**S\$’000**”), unless otherwise indicated.

In the current financial year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2021. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group’s and Company’s accounting policies, and has no material effect on the current or prior year’s financial statement and is not expected to have a material effect on future periods.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

*SFRS(I)s and SFRS(I) INTs issued but not yet effective*

At the date of authorisation of these financial statements, the following SFRS(I)s and SFRS(I) INTs that are relevant to the Group were issued but not yet effective:

SFRS (I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 16	Amendment to SFRS(I) 16: <i>Covid-19- Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
SFRS(I) 3	Amendments to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
SFRS(I) 1-16	Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
SFRS(I) 1-37	Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: <i>Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction</i>	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Various	Annual Improvements to SFRS(I)s 2018-2021	1 January 2022

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Group does not intend to early adopt any of the above new or revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned new or revised standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.2 Basis of consolidation (Continued)

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed off. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* (“SFRS(I) 9”) or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company’s separate financial statements.

### 2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets that constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a “**concentration test**” as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree’s identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* (“SFRS(I) 3”) are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* (“SFRS(I) 5”), which are recognised and measured at the lower of cost and fair value less costs to sell.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.3 Business combinations (Continued)

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed off.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.3 Business combinations (Continued)

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

### 2.4 Revenue recognition

The Group is principally in the business of providing Employment Services, Building Management Services and Security Services (Note 34), sales of electronic products and provision of related installation services. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised goods or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

#### Service income

##### (a) Building Management Services and Security Services

Revenue from a contract to provide Building Management Services and Security Services is recognised over time, using the output method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group. In the application of the output method, the Group has used appraisals of results achieved method. Accordingly, in view of the nature of the service income on contract basis, management considers that this output method is most appropriate in measuring the progress towards complete satisfaction of these performance obligations under SFRS(I) 15 *Revenue from Contracts with Customers* ("**SFRS(I) 15**").

Revenue from adhoc in Building Management Services and Security Services is recognised at a point in time when the service has been provided and the right to consideration has been earned.

Advance consideration received from customers for services not yet provided is recognised as a contract liability (Note 27).

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.4 Revenue recognition (Continued)

#### Service income (Continued)

##### (b) Employment Services

Revenue from Employment Services in relation to provision of sourcing, employment and training of migrant domestic workers (“MDWs”) is recognised at a point in time when the service has been provided and the right to consideration has been earned.

Revenue from administrative services in Employment Services is recognised over time, using the output method to measure progress towards complete satisfaction of the services.

Advance consideration received from customers for services not yet provided is recognised as a contract liability (Note 27).

#### Sales of electronic products and face masks

The Group sells a range of electronic products in relation to provision of security services, and Internet of Things (“IoT”) sensors and face masks to its customers. Revenue is recognised at a point in time when control of the goods is transferred to the end customers (i.e. when the goods are delivered in accordance with the terms and conditions and significant risks and rewards of ownership of the goods have been transferred to the customer).

#### Installation services

The Group provides installation services, which includes running of electrical cables, for security systems and Smart Toilet System that are either sold separately or bundled together with the sale of electronic products in relation to provision of security services and building management solutions to customers. The installation service can be obtained from other providers and does not significantly customise or modify the electronic products.

The bundled sale of installation services and electronic products comprises two performance obligations because the promises to provide the installation services and to transfer the electronic products are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the installation services and electronic products.

Revenue from the installation service is recognised at a point in time upon completion of installation and acceptance by customers.

The customer is invoiced on a milestone payment schedule. If the value of the goods or services transferred by the Group exceeds the payment, an accrued receivable is recognised. If the payment exceeds the value of the goods transferred, an advanced consideration from customer is recognised under contract liabilities from contract with customers.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.5 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.6 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

### 2.7 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

### 2.8 Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 24. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non-market-based vesting conditions. At the end of each financial year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised over the remaining vesting period with a corresponding adjustment to the equity-settled share options reserve.

The policy described above is applied to all equity-settled share-based payments that were granted on 20 April 2017. No amount has been recognised in the financial statements in respect of other equity-settled share-based payments.

The transfer of the balance in the share option reserve to share capital or treasury shares upon exercise of the option and the transfer of the balance in the share option reserve to retained earnings upon expiry of the option are not mandatory and may be kept as a separate reserve upon expiry or exercise of the option.

### 2.9 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.9 Income tax (Continued)

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

### 2.10 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.11 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed off.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### 2.12 Property, plant and equipment

Leasehold building held for use in the production or supply of goods or services, or for administrative purposes, is shown at cost less any subsequent accumulated depreciation, and where applicable, accumulated impairment losses.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.12 Property, plant and equipment (Continued)

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

- Leasehold building 46 years
- Equipment 5 years
- Motor vehicles 3 to 5 years
- Computers and office equipment 3 to 5 years
- Renovation, furniture and fittings 3 to 5 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 17.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

### 2.13 Intangible assets

#### Acquired intangible assets

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.

Acquired intangible assets have either finite or indefinite useful life.

Intangible assets with finite useful life are amortised over its useful life, using its straight-line method, over the following bases:

- Customer contracts and contractual customer relationships 1 to 5 years
- Non-contractual customer relationships 2 to 10 years

The amortisation charge is recognised in profit or loss and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.13 Intangible assets (Continued)

#### Acquired intangible assets (Continued)

The intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal, with any gain or loss arising from the derecognition of an intangible asset, being the difference between the net disposal proceeds and the carrying amount of the asset, recognised in profit or loss.

#### Operation system, operational web portal and mobile application

Operation system, operational web portal and mobile application are initially measured at cost. Following initial recognition, operation system, operational web portal and mobile application are measured at cost less accumulated amortisation and accumulated impairment losses. The operation system, operational web portal and mobile application are amortised to profit or loss over its estimated useful lives of 3 years and 5 years, respectively.

### 2.14 Investments in associates

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of these policies, and generally accompanying a shareholding of 20% or more of the voting power.

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired. Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

The results, assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under SFRS(I) 5 from the date on which the investee become an associate. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investments in associates at cost in its separate financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.15 Impairment of non-financial assets excluding goodwill

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 2.16 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

#### **Financial assets**

##### Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 in Note 2.4.

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income (“**FVTOCI**”) and fair value through profit or loss (“**FVTPL**”). The classification at initial recognition depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.16 Financial instruments (Continued)

#### Financial assets (Continued)

##### Initial recognition and measurement (Continued)

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

##### Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

##### Financial assets held at FVTOCI

A financial asset that is an investment in debt instrument is subsequently measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses are recognised in other comprehensive income, except for impairment gains or losses, foreign exchange gains or losses and interest which are recognised in profit or loss.

At initial recognition, the Group may make an irrevocable election to classify its investment in equity instruments, for which the equity instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3, as subsequently measured at FVTOCI so as to present subsequent changes in fair value in other comprehensive income. The election is made on an investment-by-investment basis.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.16 Financial instruments (Continued)

#### Financial assets (Continued)

##### Financial assets held at FVTOCI (Continued)

Upon derecognition, other than the aforementioned equity instruments for which their subsequent cumulative fair value changes would be transferred to accumulated profits, the cumulative fair value changes recognised in other comprehensive income is recycled to profit or loss.

Dividends from equity instruments are recognised in profit or loss only when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

##### Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVTOCI, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

##### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost and debt instruments measured at FVTOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group uses a practical expedient to recognise the ECL for trade receivables, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.16 Financial instruments (Continued)

#### **Financial assets (Continued)**

##### Impairment of financial assets (Continued)

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 31.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

##### Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### *Ordinary share capital*

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

#### **Financial liabilities**

##### Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.16 Financial instruments (Continued)

#### Financial liabilities (Continued)

##### Initial recognition and measurement (Continued)

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

##### Other financial liabilities

###### *Trade and other payables*

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

###### *Borrowings*

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.5 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

###### *Financial guarantee contracts*

The Company has issued corporate guarantees to banks for banking facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.16 Financial instruments (Continued)

#### Offsetting of financial instruments

A financial asset and a financial liability shall be offset, and the net amount presented in the statements of financial position when and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 2.17 Inventories

Inventories, comprising mainly chemical products, face masks, electronic products for sales, and other materials used for the daily operation, are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using weighted average methods. Net realisable value represents the net amount that the Group expects to realise from the sale of inventories in the ordinary course of business.

### 2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude deposits pledged with the financial institutions as collateral which form an integral part of the Group's cash management.

### 2.19 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 *Leases*. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.19 Leases (Continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented in Note 17.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.19 Leases (Continued)

#### The Group as a lessor

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assess and classify each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

#### *Operating leases*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When the Group subleases its right-of-use assets, it accounts for its interest in the head lease and the sub-lease separately. It assesses its sublease with reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset. If the head lease is a short-term lease to which the Group applied the short-term lease recognition exemption, it classifies the sublease as an operating lease.

### 2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as it arises.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 2. Summary of significant accounting policies (Continued)

### 2.21 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

Non-monetary government grant is recognised at nominal amount.

### 2.22 Contingencies

A contingent liability is:

- (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (ii) a present obligation that arises from past events but is not recognised because:
  - (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

### 2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

## 3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

### 3.1 Critical judgements made in applying the Group's accounting policies

#### Lease extension option included in lease contracts

The Group has several lease contracts which include an extension option. In the assessment of whether to include or exclude the extension period in the lease term, the Company considers all relevant facts and circumstances that will create an economic incentive for it to exercise the extension option. After the lease commencement date, the Group only reassesses the lease term when there is a significant event or change in circumstances that is within its control to affect whether it is reasonably certain to exercise the option.

The Group did not include the extension option in the lease term because they are not reasonably certain that the Group would exercise the extension option.

### 3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Impairment of loan receivable from an associate, G3 Environmental Private Limited ("G3")

At the end of each financial year, an assessment is made on whether there is indicator that the Group's loan receivable from an associate is impaired. The Group also considers the forward-looking factors specific to the associate and the economic environment which could affect the ability of the associate to settle the loan, including, but not limited to the viability of the financial support provided by its immediate holding company and other shareholder. If the financial conditions of the associate were to deteriorate, resulting in an impairment of its ability to make payments, allowances may be required.

Based on the management accounts as at 31 December 2021, current liabilities and total liabilities of G3 and its subsidiaries ("**G3 Group**") exceeded its current assets and total assets by S\$4.4 million and S\$1.1 million, respectively. In addition, G3 Group has cash and bank balances of S\$7.4 million and amount due to shareholders of S\$12.4 million.

Given the above financial condition of G3, it has been assessed that there is no significant increase in credit risk from initial recognition. Management assessed the expected credit losses ("**ECL**") relating to the loan receivable from G3 based on lifetime ECL. The Group considered the ability of G3 to settle the loan on a repayable on demand basis. 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. G3 has obtained the confirmations from other shareholders not to demand for repayment for at least 12 months.

No allowance for impairment has been recognised as at 31 December 2021 (2020: S\$Nil).

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

### 3.2 Key sources of estimation uncertainty (Continued)

#### Fair value of financial instruments

Where the fair values of financial instruments recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques, including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values. The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more details in Note 32.

#### Impairment of investments in subsidiaries and associates

At the end of each financial year, an assessment is made on whether there are indicators that the Group's and the Company's investments are impaired. Where applicable, the Group's and the Company's assessment are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. In determining the value-in-use, the Group has considered the expected and estimated impact of COVID-19 on the key inputs, including the discount rate and growth rate, as well as key assumptions applied. The Company's carrying amount of investments in subsidiaries as at 31 December 2021 was S\$11,487,000 (2020: S\$11,486,000) (Note 13). The Group's carrying amount of investments in associates as at 31 December 2021 was S\$396,000 (2020: S\$396,000) (Note 14).

#### Impairment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. The Group also took into consideration of the expected and estimated impact of COVID-19 on key inputs, including the discount rate and growth rate, as well as key assumptions applied. There was impairment loss S\$1,619,000 (2020: S\$145,000) recognised during the financial year. The carrying amount of goodwill as at 31 December 2021 was S\$4,425,000 (2020: S\$5,440,000) (Note 11).

#### Impairment of intangible assets

At the end of each financial year, an assessment is made on whether there are indicators that the Group's intangible assets are impaired. The valuation and useful life of the intangible assets are based on management's best estimates of future performance and periods over which value from the intangible asset will be realised. Management reassesses the estimated useful life at each period end, taking into account the period over which the intangible asset is expected to generate future economic benefits. The carrying amount of the Group's intangible assets as at 31 December 2021 was S\$539,000 (2020: S\$666,000) (Note 12).

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

### 3.2 Key sources of estimation uncertainty (Continued)

#### Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed through the age analysis, adjusted for forward looking factors including their best estimate of the impact of COVID-19, specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The carrying amount of the Group's trade receivables as at 31 December 2021 was S\$9,787,000 (2020: S\$11,491,000) (Note 20). The expected loss allowance on the Group's trade receivables as at 31 December 2021 was S\$273,000 (2020: S\$195,000) (Note 20).

#### Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's property, plant and equipment as at 31 December 2021 was S\$2,007,000 (2020: S\$2,296,000) (Note 16).

#### Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory, if any. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's and the Company's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 December 2021 was S\$697,000 (2020: S\$1,047,000). There was no allowance made on inventory for the year ended 31 December 2021 and 2020.

#### Provision for income taxes

The Group has exposure to income taxes in Singapore of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amount of the Group's and Company's current tax payable as at 31 December 2021 were S\$19,000 (2020: S\$86,000) and S\$6,000 (2020: S\$5,000) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 4. Revenue

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Service income (point in time)		
– Employment Services	<b>6,551</b>	5,522
– Building Management Services	<b>6,753</b>	4,735
– Security Services	<b>21</b>	47
	<b>13,325</b>	10,304
Service income (over time)		
– Employment Services	<b>10</b>	28
– Building Management Services	<b>27,832</b>	25,792
– Security Services	<b>18,077</b>	19,323
	<b>45,919</b>	45,143
Installation services (point in time)	<b>204</b>	243
Sales of goods (point in time)	<b>684</b>	701
	<b>60,132</b>	56,391

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations on 31 December 2021 which is expected to be realised after more than one year is approximately S\$14,125,000 (2020: S\$18,139,000). This may be recognised as revenue subject to the complete satisfaction of the services with acceptance by customers and termination clauses within the contracts. The amount disclosed above does not include variable consideration which is constrained.

The Group has applied the practical expedient permitted under SFRS(I) 15 for those performance obligations which are part of contracts that have an original expended duration of one year or less.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 5. Other operating income

	<u>Group</u>	
	2021	2020
	<u>S\$'000</u>	<u>S\$'000</u>
Administrative fees income	54	6
Bad debts recovered	–	*
Dividend income	53	12
Foreign exchange gain, net	*	5
Fair value gain arising from unquoted financial assets at FVTPL	–	12
Realised gain from investment in financial assets	73	–
Gain on bargain purchase arising from acquisition	245	325
Government credit schemes and government grants	2,929	9,316
Gain on lease modification	–	6
Income from supplies to subcontractors	4	15
Interest income from advances to subcontractors	9	9
Interest income from fixed deposits	74	236
Rental income	55	44
Refund of insurance charges	21	32
Others	22	12
	<u>3,539</u>	<u>10,030</u>

\* Denotes amount less than S\$1,000

Government credit schemes and government grants consist of special employment credit, senior employment credit, wage credit scheme, enabling employment credit, Jobs Support Schemes (“JSS”), Jobs Growth Incentive (“JGI”), property tax rebates, national serviceman relief, Absentee Payroll funding from Singapore Workforce Development Agency, grant under WorkPro programme from Singapore National Employers Federation, Skill Future funding from Skills Future Singapore Agency in connection to certifiable skills training courses, Capability Development Grant, Enterprise Development Grant and Productivity Solutions Grant from Enterprise Singapore.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 5. Other operating income (Continued)

### COVID-19 Government Assistance Schemes

In the previous financial year, to help businesses cope with the impact from COVID-19, the government introduced the JSS, JGI, and property tax rebates.

The JSS provides wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic uncertainty. JSS payouts are intended to offset local employees' wages and help protect their jobs. The JGI supports employers to expand local hiring and the support will vary depending on when local hire was hired and the characteristics of the local hire. Under the property tax rebates, the property owners of qualifying properties, depending on the property type, will be granted rebates of up to 100% on their property tax payable.

The Group has been awarded certain government grants for which the grant income was recognised in other income. The grant income relating to JSS, JGI and property tax rebates amounted to S\$1,769,000 (2020: S\$7,705,000), and the corresponding expenses were recognised in staff costs under cost of sales and administrative expenses respectively. Grant receivables of S\$797,000 (2020: S\$1,850,000) were recognised in trade and other receivables (Note 20) and deferred government income of S\$362,000 (2020: S\$774,000) was recognised in trade and other payables (Note 26).

## 6. Finance expenses

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Interest expenses on:		
– Leases	<b>104</b>	126
– Property loan	<b>12</b>	14
	<b>116</b>	140

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 7. (Loss)/Profit before income tax

The following charges/(credit) were included in the determination of (loss)/profit before income tax:

	Note	Group	
		2021 S\$'000	2020 S\$'000
<b><i>Included in cost of sales:</i></b>			
Cost of inventories recognised as an expense	19	996	1,003
Depreciation of right-of-use assets	17	337	281
Insurance		507	274
Expenses relating to short-term leases		351	460
Reversal of provision for warranties	26	(*)	(1)
Recruitment expenses		2,152	1,827
Staff costs (excluding key management personnel remuneration)	8	32,868	29,070
Subcontractors' fees		7,760	8,888
<b><i>Included in administrative expenses:</i></b>			
Audit fees to auditors of the Company:			
- Current financial year		248	233
- Under-provision in previous financial year		-	2
Non-audit fees to auditors of the Company		45	42
Advertising expenses		238	138
Loss allowance for receivables (trade)	20	85	104
Loss on lease modification		5	-
Loss on disposal of property, plant and equipment, net		6	-
Amortisation of intangible assets	12	281	279
Bad debts written-off		2	15
Depreciation of property, plant and equipment	16	587	529
Depreciation of right-of-use assets	17	1,343	1,404
Directors' fees	30	145	167
Fair value loss arising from quoted financial assets at FVTPL	15	363	9
Fair value loss arising from unquoted financial assets at FVTPL	15	486	-
Impairment loss of goodwill	11	1,619	145
Insurance		280	166
Key management personnel remuneration	30	4,267	4,574
Expenses relating to short-term leases		153	249
Expenses relating to low-value assets		3	3
Property, plant and equipment written-off		65	16
Share option expenses		*	8
Staff costs (excluding key management personnel remuneration)	8	7,890	7,466

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 8. Staff costs (excluding key management personnel remuneration)

	<u>Group</u>	
	2021	2020
	<u>S\$'000</u>	<u>S\$'000</u>
<u>Cost of sales</u>		
Salaries, allowances and other benefits	29,916	26,509
Defined contribution plan	2,952	2,561
	<u>32,868</u>	<u>29,070</u>
<u>Administrative expenses</u>		
Salaries, allowances and other benefits	7,116	6,775
Defined contribution plan	774	691
	<u>7,890</u>	<u>7,466</u>
Total staff costs	<u>40,758</u>	<u>36,536</u>

## 9. Income tax credit

	<u>Group</u>	
	2021	2020
	<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 (Note 18)		
– 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

The Group is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2020: 17%). There were no changes in the enterprise income tax rate in the current financial year from the previous financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 9. Income tax credit (Continued)

Reconciliation of effective tax rate is as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>
(Loss)/Profit before income tax	<b>(4,126)</b>	4,951
Share of losses from equity-accounted for associates, net of taxation	<b>180</b>	98
(Loss)/Profit before income tax and share of losses from equity-accounted for associates, net of taxation	<b>(3,946)</b>	5,049
Income tax at statutory rate (17%)	<b>(671)</b>	858
Tax effects of:		
– Expenses not deductible for tax purposes	<b>714</b>	317
– Income not subject to tax	<b>(205)</b>	(1,353)
– Tax incentive and special allowance	<b>(117)</b>	(122)
– Tax exemptions and rebates	<b>(27)</b>	(62)
– Over-provision in prior financial years	<b>(37)</b>	(25)
– Unrecognised deferred tax benefits	<b>330</b>	550
– Others	<b>(1)</b>	(199)
Total tax credit	<b>(14)</b>	(36)

## 10. (Loss)/Earnings per share

Basic and diluted (loss)/earnings per share are calculated by dividing the (loss)/profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year. The following table reflects the (loss)/profit and share data used in the computation of basic (loss)/earnings per share:

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

The basic and diluted (loss)/earnings per share is the same as there were no potentially dilutive instruments.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 10. (Loss)/Earnings per share (Continued)

Whilst there were 859,000 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 (31 December 2020: S\$0.40 per share) and are not considered to be dilutive for the financial years ended 31 December 2021 and 31 December 2020.

The weighted average number of ordinary shares for financial year ended 31 December 2021 was computed based on the purchase of 10,000 and 69,000 treasury shares by the Company on 5 January 2021 and 12 January 2021 respectively.

## 11. Goodwill on consolidation

	Note	Group	
		2021	2020
		S\$'000	S\$'000
<b>Cost:</b>			
At 1 January		5,440	5,585
Arising on acquisition of a subsidiary	13(b)	604	–
Impairment loss		(1,619)	(145)
At 31 December		<u>4,425</u>	<u>5,440</u>

Goodwill acquired through business combinations is allocated, at acquisition, to the CGU that are expected to benefit from those business combinations. The carrying amount of goodwill had been allocated as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
Ashtree International Pte. Ltd.	115	115
Country Cousins Pte. Ltd. (“Country Cousins”)	–	97
Newman & Goh Property Consultants Pte Ltd (“NGPC”) <sup>(1)</sup>	–	1,115
Newman & Associates Pte. Ltd. (“NAPL”) <sup>(1)</sup>	–	66
Newman group <sup>(1)</sup>	1,785	–
World Clean Facility Services Pte. Ltd. (“World Clean”)	–	33
Premier Group <sup>(2)</sup>	2,525	4,014
	<u>4,425</u>	<u>5,440</u>

(1) Newman Group – NGPC, NAPL and PPMC Pte. Ltd. have been allocated as one CGU.

(2) Premier Group – Green Management Pte. Ltd., Premier Eco-Care Pte. Ltd. and Prestige International Management Pte. Ltd. (formerly known as Prestige Enviro-Care Pte. Ltd.) have been allocated as one CGU.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 11. Goodwill on consolidation (Continued)

During the financial year ended 31 December 2021, goodwill with carrying amount of S\$604,000 as of the end of the financial year then ended was acquired through the purchase of PPMC Pte. Ltd. (Note 13(b)) (the “CGU”) in the Building Management Services Business segment.

### Impairment testing of goodwill

The Group tests CGU for impairment annually, or more frequently when there is an indication for impairment.

The Group has measured the recoverable amount of the CGU based on 5-years cash flows projections approved by the Board of Directors. Key assumptions on which management has based its cash flow projections for the respective periods of the significant CGU are as follows:

	<u>Premier Group</u>		<u>Newman group</u>		<u>Newman &amp; Goh Property Consultants Pte Ltd</u>	
	2021	2020	2021	2020	2021	2020
Growth rates	1.5% to 1.6%	0.9% to 1.3%	Actual contracts	-	-	Actual contracts
Pre-tax discount rate	9.74%	9.78%	11.20%	-	-	10.00%

### *Key assumptions used in the value-in-use calculations*

*Growth rates* – The forecasted revenue growth rates used are based on contractual customers wherein contracts are mostly with a one to two-years term and automatic renewal clause relevant to the CGUs and regular customers, taking into account of the forecasted revenue growth rate relevant to the environment where the CGUs operate in.

*Discount rates* – The discount rate used is based on the weighted average cost of the CGU’s capital (the “WACC”), adjusted for the specific circumstances of the CGU and based on management’s experience, and re-grossed back to arrive at the pre-tax rate.

Management is of the view that any reasonable possible change in any of the above key assumptions is not likely to materially cause the CGU’s carrying amount to exceed its recoverable amount.

During the financial year ended 31 December 2021, the Group has recognised impairment losses of S\$1,489,000, S\$97,000 and S\$33,000 for goodwill relating to Premier Group, Country Cousin, and World Clean respectively due to continuous underperformance amid the COVID-19 pandemic.

During the financial year ended 31 December 2020, an impairment loss of S\$145,000 was recognised for goodwill relating to Envirocare Landscape (S) Pte. Ltd. (“**Envirocare**”) due to Envirocare’s dormant status as at 31 December 2020. Envirocare has also been renamed as Our Express Pte. Ltd. and changed its principal activity to online sales of facility management services and products with effect from 14 July 2020.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 12. Intangible assets

<u>Group</u>	Customer contracts and contractual customer relationships <sup>(1)</sup>	Non-contractual customer relationships <sup>(2)</sup>	Operation system, operational web portal and mobile application <sup>(3)</sup>	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cost</b>				
At 1 January 2020	2,571	304	154	3,029
Additions	-	-	334	334
Acquisition of a subsidiary (Note 13(i))	-	8	-	8
At 31 December 2020	2,571	312	488	3,371
Additions	-	-	104	104
Acquisition of a subsidiary (Note 13(b))	-	50	-	50
At 31 December 2021	2,571	362	592	3,525
<b>Accumulated amortisation</b>				
At 1 January 2020	2,272	126	28	2,426
Amortisation for the financial year	179	37	63	279
At 31 December 2020	2,451	163	91	2,705
Amortisation for the financial year	120	49	112	281
At 31 December 2021	2,571	212	203	2,986
<b>Carrying amount</b>				
At 31 December 2021	-	150	389	539
At 31 December 2020	120	149	397	666

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

<sup>(2)</sup> Cost of non-contractual customer relationships is attributable to long-term relationship with its customers.

<sup>(3)</sup> 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.

During the current year, the Group acquired intangible assets for S\$104,000 through means of a deposit paid in the previous financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 13. Investments in subsidiaries

	<u>Company</u>	
	2021	2020
	S\$'000	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>

The details of the subsidiaries are as follows:

<u>Name of subsidiaries</u>	<u>Principal activities</u>	<u>Effective equity held by the Company</u>	
		2021	2020
		%	%
<u>Held directly by the Company</u>			
Advancer Global Manpower Pte. Ltd. <sup>(1) (2)</sup>	Investment holding	100	100
Advancer Global Facility Pte. Ltd. ("AGF") <sup>(1)</sup>	Management consultancy services / Investment holding	100	100
Advancer Global Security Pte. Ltd. ("AGS") <sup>(1) (2)</sup>	Investment holding	100	100
<u>Held through Advancer Global Manpower Pte. Ltd.</u>			
Advancer Nation Pte. Ltd. <sup>(1) (2)</sup>	Management consultancy service / Other Holding Companies	100	100
APAC Cities Employment Pte. Ltd. <sup>(2) (3)</sup>	Domestic worker employment placement agencies (excluding online marketplaces)	100	100
Enreach Employment Pte. Ltd. <sup>(3)</sup>	Domestic worker employment placement agencies (excluding online marketplaces) / Employment agencies (excluding domestic worker employment placement agencies and online marketplaces)	100	100
Nation Human Resources Pte. Ltd. <sup>(1)</sup>	Domestic worker employment placement agencies (excluding online marketplaces) / General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces	100	100
Nation Employment Pte Ltd <sup>(1)</sup>	Domestic worker employment placement agencies (excluding online marketplaces)/Letting of self-owned or leased real estate property except food courts, coffee shops and canteens (e.g. office/exhibition space, shopping mall, self-storage facilities)	100	100

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 13. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal activities	Effective equity held by the Company	
		2021	2020
		%	%
<u>Held through Advancer Global Facility Pte. Ltd.</u>			
Our Express Pte. Ltd. (“Our Express”) <sup>(1)</sup>	Online marketplaces for services N.E.C./Online marketplaces for goods (including food)	100	100 (Note g)
First Stewards Private Limited <sup>(1)</sup>	General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces	100	100
Green Management Pte. Ltd. <sup>(2) (3)</sup>	Pest control services not in connection with agriculture (pest control, fumigation and other ecological care services)	100	100
Master Clean Facility Services Pte. Ltd. <sup>(1)</sup>	General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces / Management consultancy services	100	100
Newman & Associates Pte. Ltd. <sup>(1)</sup>	Management of self-owned strata titled property (i.e. management corporation strata title) (Services including building related services essential for upkeep of building) / Real estate agencies and valuation services	76	76
Newman & Goh Property Consultants Pte Ltd (“NGPC”) <sup>(1)</sup>	Residential (other than town councils), commercial and industrial real estate management / services including building related services essential for upkeep of building) / Real estate agencies and valuation services	76 (Note a)	76
PPMC Pte. Ltd. (formerly known as Propnex Property Management Pte. Ltd.) (Wholly-owned subsidiary of NGPC) (“PPMC”) <sup>(2) (3)</sup>	Management consultancy services (General)	76 (Note b)	–
Premier Eco-Care Pte. Ltd. <sup>(1)</sup>	Pest control services not in connection with agriculture (Pest control, fumigation and other ecological care services) / General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces	100	100

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 13. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal activities	Effective equity held by the Company	
		2021	2020
		%	%
<u>Held through Advancer Global Facility Pte. Ltd. (Continued)</u>			
Prestige International Management Pte. Ltd. (formerly known as Prestige Enviro-Care Pte. Ltd. (Wholly-owned subsidiary of Premier Eco-Care Pte. Ltd.) <sup>(1)</sup>	Pest control services not in connection with agriculture (Pest control, fumigation and other ecological care services) / Domestic worker employment placement agencies (excluding online marketplaces)	100	100
World Clean Facility Services Pte. Ltd. <sup>(1)</sup>	General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces / Pest control services not in connection with agriculture (Pest control, fumigation and other ecological care services)	100	100
Advancer Smart Technology Pte. Ltd. ("AST") <sup>(1)</sup>	Data analytics, processing and related activities n.e.c.(Data analytics from internet of things devise & embedded artificial intelligence) / Wholesale of electronic components	85 (Note c)	100
Country Cousins Pte. Ltd. ("Country Cousins") <sup>(1)</sup>	Landscape planting, care and maintenance service activities (e.g. garden installation and maintenance, grass cutting, tree felling, pruning) / Domestic worker employment placement agencies (excluding online marketplaces)	100 (Note d)	76 (Note h)
SRE Global Pte. Ltd. ("SRE") <sup>(1)</sup>	Real estate developer / Real estate agencies and valuation services	82	82 (Note i)
HBA Group Property Consultants Pte. Ltd. (Wholly-owned subsidiary of SRE) <sup>(1)</sup>	Residential (other than town councils), commercial and industrial real estate management / Real estate agencies and valuation services	82 (Note e)	-
<u>Held through Advancer Global Security Pte. Ltd.</u>			
AGS Integration Pte. Ltd. ("AGSI") <sup>(1)</sup>	Private security activities / Other construction installation n.e.c.	70 (Note f)	70
Ashtree International Pte. Ltd. <sup>(1)</sup>	Private security activities / General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces	100	100

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 13. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal activities	Effective equity held by the Company	
		2021	2020
		%	%
<u>Held through Advancer Global Security Pte. Ltd. (Continued)</u>			
KH Security Pte. Ltd. <sup>(1)</sup>	Private security activities / General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces	100	100
KH Security Agency Pte. Ltd. <sup>(1)</sup>	Private security activities / General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces	100	100

<sup>(1)</sup> Audited by Mazars LLP, Singapore.

<sup>(2)</sup> The subsidiaries are dormant.

<sup>(3)</sup> In the process of struck-off from the Register of Accounting and Corporate Regulatory Authority (ACRA) pursuant to Section 344 of the Companies Act 1967 of Singapore. The unaudited accounts has been used for the purpose of consolidation as it is not material to the Group's consolidated financial statements.

All subsidiaries are incorporated and operating in Singapore.

### *Interest in subsidiaries with material non-controlling interests ("NCI")*

The Group has the following subsidiaries which have NCI that are material to the Group:

Name of subsidiaries	Proportion of ownership interest held by NCI		(Loss)/Profit allocated to NCI during the financial year		Accumulated NCI at the reporting date		Dividends payable to NCI	
	2021	2020	2021	2020	2021	2020	2021	2020
	%	%	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
AGSI	30	30	(109)	(25)	9	(63)	-	-
NGPC	24	24	110	448	445	455	216	156
SRE	18	18	89	18	223	224	90	-
AST	15	-	(105)	-	(105)	-	-	-

There is no significant restriction on the Group's ability to access or use the assets and settle the liabilities of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 13. Investments in subsidiaries (Continued)

Summarised financial information (before intercompany eliminations):

	<u>AGSI</u>		<u>NGPC</u>		<u>SRE</u>		<u>AST</u>
	2021	2020	2021	2020	2021	2020	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets:</b>							
Non-current assets	1,177	1,331	1,458	670	748	224	166
Current assets	2,665	2,826	2,457	2,606	1,650	1,504	1,236
<b>Liabilities:</b>							
Non-current liabilities	530	584	314	138	53	106	8
Current liabilities	3,283	3,782	1,733	1,228	1,108	382	2,393
Net assets/(liabilities)	29	(209)	1,868	1,910	1,237	1,240	(999)
<b>Results:</b>							
Revenue	2,518	2,595	11,706	10,200	3,551	2,223	1,187
(Loss)/Profit before income tax	(363)	(82)	473	1,896	508	496	(522)
(Loss)/Profit for the financial year	(363)	(82)	458	1,869	497	490	(518)
Net cash flow generated from operations	319	2	1,091	1,714	322	615	(483)

Financial year ended 31 December 2021

### (a) Additional investment in a subsidiary - NGPC

On 30 March 2021, AGF's 76%-owned subsidiary, NGPC, had increased its issued and paid-up share capital from S\$100,000 comprising 100,000 ordinary shares to S\$500,000 comprising 500,000 ordinary shares. The increase in share capital was satisfied by way of capitalisation of dividends payable to the shareholders of NGPC, which included an amount of S\$304,000 payable to AGF.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 13. Investments in subsidiaries (Continued)

*Financial year ended 31 December 2021 (Continued)*

### (b) Acquisition of PPMC

On 2 February 2021, NGPC completed the acquisition of 100% equity interest in PPMC, a company incorporated in Singapore. This acquisition aimed to achieve synergies between PPMC and Group's current property valuation, property management and property agency services. It would provide larger skilled workforce and expertise for the Group to tap on and thereby enable it to expand its market share and presence in Singapore. The fair value of the identifiable assets and liabilities of PPMC as the acquisition date were:

	<u>Note</u>	<u>Fair value recognised on acquisition</u> S\$'000
Property, plant and equipment		61
Right-of-use assets		119
Non-contractual customer relationships		50
Trade and other receivables		361
Cash and cash equivalents		44
Trade and other payables		(280)
Lease liabilities		(116)
Income tax payable		(19)
Deferred tax liabilities		(10)
Total identifiable net assets at fair value		<u>210</u>
Goodwill arising from acquisition	11	<u>604</u>
Total consideration		<u><u>814</u></u>
<u>Effect of the acquisition of PPMC on cash flows</u>		
Total 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 year ended 31 December 2021.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 13. Investments in subsidiaries (Continued)

*Financial year ended 31 December 2021 (Continued)*

### **(b) Acquisition of PPMC (Continued)**

#### 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. 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 the year.

### **(c) Partial divestment of AST**

On 8 January 2021, AGF divested 15% equity interest in 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.

### **(d) Acquisition of non-controlling interests in 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 (Note 23).

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 13. Investments in subsidiaries (Continued)

*Financial year ended 31 December 2021 (Continued)*

### (d) Acquisition of non-controlling interests in Country Cousins (Continued)

The effect of the change in the Group's ownership interest in Country Cousins on the equity attributable to owners of the Company has been recognised in "Capital reserve" within equity as summarised below:

	S\$'000
Consideration paid for acquisition of non-controlling interests	60
Decrease in equity attributable to non-controlling interests	<u>(15)</u>
Increase in equity attributable to owners of the Company	<u><u>45</u></u>

### (e) Acquisition of HBA

On 12 May 2021, SRE, 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
Property, 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	<u>(12)</u>
Total identifiable net assets at fair value	845
Bargain purchase arising from acquisition	<u>(245)</u>
Total consideration	<u><u>600</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 13. Investments in subsidiaries (Continued)

*Financial year ended 31 December 2021 (Continued)*

### (e) Acquisition of HBA (Continued)

	<b>Fair value recognised on acquisition S\$'000</b>
<u>Effect of the acquisition of HBA on cash flows</u>	
Total consideration for 100% of equity interest acquired	(600)
Less: 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 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 the previous business owners of HBA were seeking for a successor to their legacy and had identified the Group to be ideal.

#### 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\$400,000 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 the financial year ended 2021.

### (f) Additional investment in a subsidiary – AGSI

On 30 December 2021, AGS's 70%-owned subsidiary, AGSI had increased its share capital from S\$600,000 comprising 600,000 ordinary shares to S\$1,200,000 comprising 1,200,000 ordinary shares. The increase in share capital was satisfied by way of capitalisation of advances owing to the shareholders of AGSI, which included an amount of S\$402,000 owing to AGS.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 13. Investments in subsidiaries (Continued)

*Financial year ended 31 December 2020*

### **(g) Acquisition of non-controlling interest in investment in a subsidiary – Our Express**

On 14 July 2020, Advancer Global Facility Pte. Ltd. acquired an additional 24% equity interest in Our Express comprising 4,800 ordinary shares from its non-controlling interests for a cash consideration of S\$1. As a result of this additional acquisition, Our Express became a wholly-owned subsidiary of the Group (Note 23).

### **(h) Acquisition of Country Cousins**

On 16 July 2020, Country Cousins increased its issued and paid-up share capital by way of allotment and issuance of 40,000 new shares at S\$1.00 per share (“**New Shares**”).

Following the allotment and issuance of the New Shares, Country Cousins issued and paid-up share capital is S\$50,000 comprising of 50,000 ordinary shares and the equity interest of the Group in Country Cousins remains the same at 76%.

The increase in Country Cousins’ share capital was satisfied in full by way of capitalisation of dividend payable owed by Country Cousins to existing shareholders amounting to S\$40,000 (including S\$9,600 to a non-controlling shareholder) (the “**Capitalisation Amount**”). The Capitalisation Amount will be used mainly for working capital requirements of Country Cousins and to allow Country Cousins in qualifying for the government project tenders.

### **(i) Acquisition of SRE**

On 30 September 2020, Advancer Global Facility Pte. Ltd. completed the subscription for 82% equity interest in SRE (“**Acquisition**”), a company incorporated in Singapore, to expand the property management, valuation, consultancy and property agency services within the Group’s building management division and to further strengthen the services offerings by providing a larger skilled workforce and expertise for the Group to tap on and thereby enable it to expand its market share in Singapore.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 13. Investments in subsidiaries (Continued)

*Financial year ended 31 December 2020 (Continued)*

### (i) Acquisition of SRE (Continued)

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

	<b>Fair value recognised on acquisition</b>
	<b>S\$'000</b>
Property, plant and equipment	2
Right-of-use assets	36
Non-contractual customer relationships	8
Trade and other receivables	419
Cash and cash equivalents	1,078
Trade and other payables	(355)
Lease liabilities	(37)
Deferred tax liabilities	(5)
	<hr/>
Total identifiable net assets at fair value	1,146
Non-controlling interest measured at the non-controlling interest's proportionate share of SRE's net identifiable assets	(206)
Bargain purchase arising from acquisition	(325)
	<hr/>
Total consideration	<u>615</u>
 <u>Effect of the acquisition of SRE on cash flows</u>	
Total consideration for 82% of equity interest acquired	(615)
Less: Cash and cash equivalents of a subsidiary acquired	1,078
	<hr/>
Net cash inflow on acquisition	<u>463</u>

### Transaction costs

Transaction costs related to the Acquisition of S\$8,560 have been recognised in the Group's profit or loss for the financial year ended 31 December 2020.

### Gain on bargain purchase arising from Acquisition

Gain on bargain purchase of S\$325,000 arising from the Acquisition was mainly due to total consideration for subscription of 82% equity interest in SRE has been retained within the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 13. Investments in subsidiaries (Continued)

*Financial year ended 31 December 2020 (Continued)*

### (i) Acquisition of SRE (Continued)

#### Consideration

The total consideration of S\$615,000 for the Acquisition, satisfied through a cash payment of (i) deposit of S\$300,000 paid by Advancer Global Facility Pte. Ltd. to SRE's shareholders in January 2020; and (ii) S\$315,000 from Advancer Global Facility Pte. Ltd. to SRE prior to the date of completion of the Acquisition. The Acquisition subsequently completed on 30 September 2020.

#### Intangible assets

Intangible assets identified relate to non-contractual customer relationships which are attributable to long-term relationships with its major customers. The useful life is estimated at two years.

#### Impact of the Acquisition on profit or loss

From the date of Acquisition, SRE has contributed S\$428,000 and S\$84,000 to the revenue and the profit after tax of the Group respectively.

## 14. Investments in associates

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



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 14. Investments in associates (Continued)

The details of the associates are as follows:

Name of associates	Country of incorporation and principal place of business	Principal activities	Effective equity interest held by the Group	
			2021 %	2020 %
<u>Held through Advancer Nation Pte. Ltd.</u>				
Fullcast International Co., Ltd. ("Fullcast")	Japan	Human resources services	49.0	49.0
<u>Held through Advancer Global Facility Pte. Ltd.</u>				
G3 Environmental Private Limited ("G3") <sup>(1)</sup>	Singapore	Commercial and industrial real estate management/ Recycling of metal waste and scrap	20.1	20.1
<u>Held through G3</u>				
TEE Environmental Pte. Ltd. <sup>(1)</sup>	Singapore	Commercial and industrial real estate management / Recycling of metal waste and scrap	20.1	20.1
TEE Recycling Pte. Ltd. <sup>(1)</sup>	Singapore	Recycling of metal waste and scrap / Collection of waste	20.1	20.1
Envotek Engineering Pte. Ltd. <sup>(1)</sup>	Singapore	Installation of industrial machinery and equipment, mechanical engineering works / General contractors	20.1	20.1
<u>Held through Advancer Global Security Pte. Ltd.</u>				
Eazable Pte. Ltd. ("Eazable")	Singapore	Development software and applications (except games and cybersecurity)	45.0	-

<sup>(1)</sup> The associate was audited by Foo Kon Tan LLP for the financial year ended 30 September 2021 (2020: financial year ended 31 May 2020).

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 14. Investments in associates (Continued)

The activities of the associates are strategic to the Group's activities.

### G3

The financial statements of G3 are made up to 30 September (2020: 31 May) each year. There was a change of reporting date from 31 May to 30 September because the reporting date is required to be the same as G3's parent company, TEE Infrastructure Private Limited, who holds 50.1% equity interest in G3.

### Eazable

On 15 January 2021, AGS acquired 45% of the total issued and paid-up share capital of 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.

### *Summarised financial information for the associates*

The summarised financial information based on its unaudited SFRS(I) financial statements as follows:

	<u>G3</u>		<u>Fullcast</u>	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets and liabilities:</b>				
Non-current assets	4,164	6,281	11	24
Current assets	13,322	14,647	326	375
Total assets	17,486	20,928	337	399
Non-current liabilities	812	818	-	-
Current liabilities	17,743	22,936	20	18
Total liabilities	18,555	23,754	20	18
Net (liabilities)/assets	(1,069)	(2,826)	317	381
Group's share of associates' net (liabilities)/assets	(215)	(568)	155	187
Carrying amount of the investment as at 31 December	-	-	187	396

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 14. Investments in associates (Continued)

The summarised financial information based on its unaudited SFRS(I) financial statements as follows:  
(Continued)

	<b>Eazable</b>		<b>Group</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>S\$'000</b>	<b>S\$'000<sup>1</sup></b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Assets and liabilities:</b>				
Non-current assets	231	-		
Current assets	238	-		
Total assets	469	-		
Non-current liabilities	-	-		
Current liabilities	8	-		
Total liabilities	8	-		
Net assets	461	-		
Group's share of associates' net assets/ (liabilities)	207	-	147	(381)
Carrying amount of the investment as at 31 December	209	-	396	396

<sup>1</sup> The comparative figure was not presented as Eazable was acquired during the current financial year.

	<b>G3</b>		<b>Fullcast</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Results:</b>				
Revenue	30,363	29,874	24	-
Profit/(loss) for the financial year, representing total comprehensive income/(loss) for the financial year	1,758	292	(266)	(201)
Group's share of associates' loss for the financial year	-	-	(208)	(98)

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 14. Investments in associates (Continued)

	Eazable		Group	
	2021	2020	2021	2020
	S\$'000 <sup>1</sup>	S\$'000 <sup>2</sup>	S\$'000	S\$'000
<b>Results:</b>				
Revenue	64	–	30,451	29,874
Profit for the financial year, representing total comprehensive income for the financial year	63	–	1,555	91
Group's share of associates' profit/(loss) for the financial year	28	–	(180)	(98)

<sup>1</sup> The current year figure pertains to the financial figures for the financial period ended 16 January 2021 to 31 December 2021.

<sup>2</sup> The comparative figure was not presented as Eazable was acquired during the current financial year.

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 (2020: S\$536,000). The Group has no obligation in respect of these losses.

## 15. Other investments

Note	Group		Company	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current investments</b>				
<b>Financial assets held at FVTPL</b>				
Unquoted equity instruments – at FVTPL	125	624	–	–
<b>Current investments</b>				
<b>Financial assets held at FVTPL</b>				
Quoted equity instruments – at FVTPL	2,506	1,007	2,506	1,007
<b>Total financial assets held at FVTPL</b>	<b>2,631</b>	<b>1,631</b>	<b>2,506</b>	<b>1,007</b>
<b>Movement for unquoted equity instruments</b>				
At beginning of the year	624	–	–	–
Additions	15(b) –	612	–	–
Disposal	15(a) (13)	–	–	–
Fair value (loss)/gain recognised in profit or loss	15(a)(b) (486)	12	–	–
	<b>125</b>	<b>624</b>	<b>–</b>	<b>–</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 15. Other investments (Continued)

	Note	Group		Company	
		2021	2020	2021	2020
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Movement for quoted equity instruments</b>					
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 profit or loss	15(c)	(363)	(9)	(363)	(9)
		<b>2,506</b>	<b>1,007</b>	<b>2,506</b>	<b>1,007</b>

### Unquoted equity instruments

The investments in unquoted equity instruments classified at FVTPL relates to the following:

- (a) On 1 February 2021, NGPC, a 76% indirectly owned subsidiary of the Company disposed off 10% equity interest in Beijing Singapore Technology & Facility Management Co., Ltd (“**BSTFM**”), a company incorporated in People’s Republic of China for a total cash consideration of RMB60,000 or S\$12,225 which was received by NGPC on 8 April 2021. The Group has recognised fair value gain on unquoted equity to S\$12,144 in the previous financial year.
- (b) 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 million for subscription of 15% shares in ZWHY was received by ZWHY on 14 January 2021 and recorded as investment payable as at 31 December 2020 (Note 26).

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 Group has recognised fair value loss on Unquoted China Investment amounting to S\$486,000 during the financial year.

It is denominated in Chinese Renminbi.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 15. Other investments (Continued)

### Quoted equity instruments

- (a) 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.

The currency profiles of the Group's and Company's investments in quoted equity instruments as at 31 December 2021 and 31 December 2020 are as follows:

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Singapore dollar	<b>1,965</b>	731
United States dollar	<b>541</b>	276
	<b>2,506</b>	<b>1,007</b>

## 16. Property, plant and equipment

<u>Group</u>	<u>Leasehold building</u>	<u>Equipment</u>	<u>Motor vehicles</u>	<u>Computers and office equipment</u>	<u>Renovation, furniture and fittings</u>	<u>Total</u>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cost</b>						
At 1 January 2020	883	607	172	1,404	677	3,743
Additions	-	74	-	150	236	460
Write-offs	-	(164)	(8)	(309)	(361)	(842)
Acquired on acquisition of a subsidiary (Note 13(i))	-	-	-	-	2	2
At 31 December 2020	883	517	164	1,245	554	3,363
Additions	-	73	-	174	174	421
Disposals	-	(14)	(23)	(248)	-	(285)
Write-back/(Write-offs)	-	17	-	(136)	(58)	(177)
Acquired on acquisition of subsidiaries (Note 13 (b)(e))	-	-	-	16	50	66
At 31 December 2021	883	593	141	1,051	720	3,388

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 16. Property, plant and equipment (Continued)

<u>Group</u>	Leasehold building	Equipment	Motor vehicles	Computers and office equipment	Renovation, furniture and fittings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Accumulated depreciation</b>						
At 1 January 2020	30	263	109	664	298	1,364
Depreciation	19	128	22	238	122	529
Write-offs	-	(164)	(8)	(302)	(352)	(826)
At 31 December 2020	49	227	123	600	68	1,067
Depreciation	19	131	17	230	190	587
Disposals	-	(2)	(22)	(137)	-	(161)
Write-back/(Write-offs)	-	17	-	(108)	(21)	(112)
At 31 December 2021	68	373	118	585	237	1,381
<b>Carrying amount</b>						
At 31 December 2021	815	220	23	466	483	2,007
At 31 December 2020	834	290	41	645	486	2,296

The Group's leasehold building is recorded at cost as stated under Note 2.12 to the financial statements and no valuation was conducted.

The Group's leasehold building with carrying amount of S\$815,000 (2020: S\$834,000) was mortgaged to secure the Group's bank borrowing (Note 25).

Details of the leasehold building held by the Group as at 31 December are set out below:

<u>Description and location</u>	<u>2021</u>		<u>2020</u>	
	<u>Tenure</u>	<u>Unexpired lease term</u>	<u>Tenure</u>	<u>Unexpired lease term</u>
18 Boon Lay Way #03-138 Tradehub 21, Singapore 609966 (the "Tradehub21 Property")	<b>46 years 4 months</b>	<b>41 years 11 months</b>	46 years 4 months	42 years 11 months



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 17. The Group as a lessee

The Group leases certain office premises, office equipment, motor vehicles and other operating facilities for one to five years.

### Extension options

The Group has several lease contracts with extension options exercisable by the Group up to 6 months before the end of the non-cancellable contract period. These extension options are exercisable by the Group and not by the lessors. The extension options are used by the Group to provide operation flexibility in terms of managing the assets used in the Group's operation.

### Recognition exemptions

The Group has certain office premises, office equipment, motor vehicles and other operating facilities with lease terms of 12 months or less and/or of low value. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

### Right-of-use assets

The carrying amount of right-of-use assets is as follows:

	Office premises	Office equipment	Motor vehicles	Other operating facilities	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2020	1,343	290	1,054	281	2,968
Additions	496	–	376	301	1,173
Reclassification	(11)	–	–	11	–
Written off of early lease termination	(142)	–	(12)	–	(154)
Acquisition of a subsidiary (Note 13(i))	28	8	–	–	36
Depreciation	(737)	(92)	(575)	(281)	(1,685)
At 31 December 2020	977	206	843	312	2,338
Additions	596	15	134	518	1,263
Written off of early lease termination	(150)	(4)	(36)	(2)	(192)
Acquisition of subsidiaries (Note 13(b)(e))	131	–	–	–	131
Depreciation	(748)	(94)	(501)	(337)	(1,680)
At 31 December 2021	806	123	440	491	1,860

The total cash outflow for repayment of lease liabilities' principal and interest during the financial year ended 31 December 2021 is S\$1,853,000 and S\$17,000 (31 December 2020: S\$1,739,000 and S\$25,000) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 17. The Group as a lessee (Continued)

### Lease liabilities

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Lease liabilities – non-current	698	1,129
Lease liabilities – current	1,342	1,472
At end of financial year	<u>2,040</u>	<u>2,601</u>

The maturity analysis of lease liabilities is disclosed in Note 31.

Lease liabilities are denominated in Singapore dollar.

### Amounts recognised in profit or loss

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Interest expense on lease liabilities	104	126
Expense relating to short-term leases	504	709
Expense relating to low-value assets	3	3

## 18. Deferred tax

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Deferred tax assets	28	28
Deferred tax liabilities	(85)	(123)

Deferred tax assets and liabilities principally arise as a result of difference between carrying amount and tax written down value of property, plant and equipment.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 18. Deferred tax (Continued)

The movements in deferred tax position for the financial year are as follows:

### Deferred tax assets

	<u>Group</u>	
	2021	2020
	S\$'000	S\$'000
At beginning of financial year	28	20
Credit to profit or loss	-	16
Over-provision in prior financial years	-	(8)
At end of financial year	<u>28</u>	<u>28</u>

### Deferred tax liabilities

	<u>Group</u>	
	2021	2020
	S\$'000	S\$'000
At beginning of financial year	(123)	(165)
Credit to profit or loss	*	29
Over-provision in prior financial years	48	18
Acquisition of a subsidiary (Note 13(b))	(10)	(5)
At end of financial year	<u>(85)</u>	<u>(123)</u>

\* Denotes amount less than S\$1,000

- (a) Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.
- (b) The following deferred tax assets have not been recognised in the statements of financial position in respect of the tax losses due to uncertainty in the availability of future taxable profit against which the Group can utilise the tax benefits are as follows:

	<u>Group</u>	
	2021	2020
	S\$'000	S\$'000
Tax losses	<u>5,648</u>	<u>4,258</u>
Unrecognised deferred tax benefits at statutory rate	<u>960</u>	<u>724</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 19. Inventories

Inventories of the Group comprise mainly chemical products, electronic products for sales and other materials that used for the daily operation purpose. Cost of inventories recognised as expense and included in cost of sales as disclosed in Note 7 to the financial statements.

## 20. Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables				
– Third parties	9,276	10,552	–	–
– Related party	27	16	–	–
– Accrued receivables	757	1,111	–	–
– Retention receivables	–	7	–	–
Less: loss allowance (Note 31)	(273)	(195)	–	–
Total trade receivables	9,787	11,491	–	–
Other receivables				
– Third parties	65	59	21	7
– Subsidiaries	–	–	6,451	7,241
– Related parties	13	13	–	–
– Loan receivable from an associate	2,492	3,296	–	–
– Advances to recruiters and suppliers	428	626	–	–
– Deferred costs	119	155	–	–
– Deposits	443	670	–	–
– Dividend receivable from subsidiaries	–	–	4,530	7,110
– Prepayments	375	309	6	7
– Receivable from government credit schemes	797	1,850	–	–
– Staff loans	160	190	–	–
Total other receivables	4,892	7,168	11,008	14,365
Total trade and other receivables	14,679	18,659	11,008	14,365

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 20. Trade and other receivables (Continued)

Trade receivables are non-interest bearing and the Group generally does not extend credit period to the customers except for provision of building management services and security services which have credit period extended at 7 to 90 (2020: 7 to 90) days credit terms. They are recognised at the transaction price which represent their fair values on initial recognition.

Accrued receivables of S\$757,000 (2020: S\$1,111,000) relate to completion of installation services contracts and security services rendered but has not been invoiced to the customers as at the end of the financial year.

Retention receivables of S\$Nil (2020: S\$7,000) relate to retention monies held by customers due to completion of landscaping services contracts but has not been invoiced to the customers as at the end of the financial year.

Other receivables from subsidiaries and loan receivable from an associate are unsecured, interest-free and repayable on demand. There was repayment of loan from an associate of S\$804,000 (2020: S\$Nil) during the financial year.

Advances to recruiters represent advanced payments as at financial year end that would be offset against the costs of MDWs' arrivals in the next financial year.

Deferred costs relate to the recruitment expenses deferred till completion of the performance obligation to recruiters in the future financial period.

Staff loans are unsecured, interest-free and repayable on demand.

The carrying amount of trade receivables determined to be impaired is as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Past due for 0 to 30 days	–	*
Past due for 31 to 60 days	–	*
Past due for 61 to 90 days	–	*
Past due for 91 to 365 days	*	3
Past due more than 365 days	<b>273</b>	192
	<b>273</b>	195

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 20. Trade and other receivables (Continued)

Movements in the loss allowance for trade receivables are as follows:

	<u>Group</u>	
	2021	2020
	<u>S\$'000</u>	<u>S\$'000</u>
At beginning of financial year	195	91
Charged to profit or loss	134	104
Written off during the financial year	(7)	–
Acquisition of a subsidiary (Note 13(b))	*	*
Reversal of loss allowance	(49)	–
At end of financial year	<u>273</u>	<u>195</u>

\* Denotes amount less than S\$1,000

Trade and other receivables are denominated in Singapore dollar.

## 21. Cash and bank balances

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Cash at banks	9,153	11,690	857	960
Cash on hand	72	94	–	–
Fixed deposits	15,572	15,833	14,763	15,222
	<u>24,797</u>	<u>27,617</u>	<u>15,620</u>	<u>16,182</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Fixed deposits of the Group and the Company bear interest rates ranging from 0.38% to 0.50% (2020: 0.30% to 1.40%) per annum and 0.38% to 0.50% (2020: 0.38% to 0.50%) per annum respectively. Fixed deposits of the Group and the Company are for tenure of 3 to 9 (2020: 3 to 12) months and 3 to 9 (2020: 3 to 9) months respectively.

The fixed deposits of S\$Nil (2020: S\$5,000) were pledged to financial institutions for banker guarantees which was issued by the banker to Group's customer as security deposits for provision of pest control services.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 21. Cash and bank balances (Continued)

The currency profiles of the Group's and Company's cash and bank balances as at 31 December 2021 and 31 December 2020 are as follows:

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore Dollar	24,797	27,010	15,620	16,182
Chinese Renminbi	-	607	-	-
	<b>24,797</b>	<b>27,617</b>	<b>15,620</b>	<b>16,182</b>

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

	<u>Group</u>	
	2021	2020
	S\$'000	S\$'000
Cash and bank balances	24,797	27,617
Fixed deposits pledged	-	(5)
Cash and cash equivalents	<b>24,797</b>	<b>27,612</b>

## 22. Share capital

	<u>Group and Company</u>	
	<u>No. of shares</u>	
	'000	S\$'000
<u>Issued and fully paid, with no par value</u>		
At 31 December 2020 and 31 December 2021	252,364	40,607



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 22. Share capital (Continued)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

### Treasury shares

	<u>Group and Company</u>			
	2021		2020	
	<u>No. of shares</u>		<u>No. of shares</u>	
	'000	S\$'000	'000	S\$'000
At 1 January	1,099	232	1,015	223
Repurchased during the year	79	9	84	9
At 31 December	<b>1,178</b>	<b>241</b>	1,099	232

During the financial year ended 31 December 2021, the Company acquired 79,000 (2020: 84,000) of its own shares through purchases on Singapore Exchange Securities Trading Limited. The total amount paid to acquire the shares was S\$8,992 (2020: S\$8,904) 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).

## 23. Other reserves

Other reserves comprise reserves as follows:

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Capital reserve	(354)	(339)	-	-
Share options reserve	106	112	106	112
Merger reserve	(2,603)	(2,603)	-	-
	<b>(2,851)</b>	<b>(2,830)</b>	<b>106</b>	<b>112</b>

### Capital reserve

The capital reserve represents the difference between the fair value of the consideration received and the carrying amount of the non-controlling interest of AST for the disposal of 15% equity interest in AST (Note 13(c)).

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 23. Other reserves (Continued)

### Share options reserve

The share options reserve comprises the cumulative value of employee services received for the issue of share options. When the share options are exercised, the related balance previously recognised in the share options reserve is transferred to share capital. When the share options expire, the related balance previously recognised in the share options reserve is transferred to retained earnings. Further information about the share-based payments to employees is set out in Note 24 of the financial statements.

### Merger reserve

Merger reserve represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares and net asset value of the subsidiaries acquired which is accounted for under “**merger accounting**”.

## 24. Share-based payment

The ESOS of the Company was approved and adopted by its members on 6 June 2016.

Information regarding the ESOS is set out below:

- (i) Group employees (including Directors of the Company) who have attained the age of 21 years and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have been in the employment of the Group for a period of at least 12 months, or such shorter period as the Remuneration Committee may determine, are eligible to participate in the ESOS.
- (ii) The maximum discount shall not exceed 20% of the market price on the date of the grant of the options.
- (iii) The options granted with the exercise price set at market price should only be exercised after the first anniversary from the grant date and before the tenth anniversary of the grant date.
- (iv) The option granted with exercise price set at a discount to market price should only be exercised after the second anniversary from the grant date and before the tenth anniversary of the grant date.
- (v) The option shall immediately lapse and become null and void when the participant cease to be in employment of the Group.
- (vi) All options are settled by delivery of shares.

On 20 April 2017, the Company granted 1,156,500 share options, at exercise price of S\$0.40 for each share, to the eligible employees of the Group. The options shall be vested equally over three years, first year of vesting being two years from the grant date. The options shall be exercised (a) before the fifth anniversary of the grant date, failing which all unexercised options shall immediately lapse and become null and void, and (b) in whole and not in part, i.e. all at once, not multiple series of smaller lots.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 24. Share-based payment (Continued)

Details of the share options outstanding during the financial year are as follows:

	<u>Group and Company</u>			
	2021		2020	
	Number of share options (‘000)	Weighted average exercise price S\$	Number of share options (‘000)	Weighted average exercise price S\$
Outstanding at the beginning of the financial year	908	0.40	960	0.40
Lapsed or expired during the financial year	(49)	0.40	(52)	0.40
Outstanding at the end of the financial year	<u>859</u>	0.40	<u>908</u>	0.40
Exercisable at the end of the financial year	<u>859</u>	0.40	<u>605</u>	0.40

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Binomial model. The expected life used in the model has been adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

### Fair value of share options and assumptions

Date of grant of options	20 April 2017
Fair value at measurement date	S\$0.128
Share price	S\$0.345
Exercise price	S\$0.40
Expected volatility	53.63%
Expected option life	5 years
Expected dividends yield	2.26%
Risk-free interest rate	1.62%

The expected volatility is based on the historical volatility of comparable companies (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions and non-market performance conditions associated with the share option grants. Service conditions are taken into account in the measurement of the fair value of the services to be received at the grant date.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 25. Bank borrowing

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Property loan	562	592
Repayable:		
Within one year	32	30
Within two to five years	132	125
More than five years	398	437
	562	592

The property loan is secured by first legal mortgage over the Tradehub21 Property and guaranteed by the Company and its subsidiary, Advancer Global Security Pte. Ltd.. The property loan bears interest at 1.65% (2020: 2.30%) in the first and second year and bank's prevailing enterprise financing rate in the subsequent years.

The carrying amount of the Group's bank borrowing approximates its fair value due to either the relatively short-term maturity of this loan or the interest rate approximates the market rate prevailing at end of the financial year.

Bank borrowing is denominated in Singapore dollar.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 26. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables				
– Third parties	718	995	–	–
– Related parties	115	127	–	–
Total trade payables	833	1,122	–	–
Other payables				
– Subsidiary	–	–	–	500
– Accrued operating expenses	4,024	4,339	85	47
– Deferred income	362	774	–	–
– Deposit received	21	9	–	–
– Dividend payables to non- controlling interests	210	–	–	–
– Credit notes to customers	368	501	–	–
– Investment payable	–	607	–	–
– Provision for warranties	2	2	–	–
– GST payables	834	851	–	–
Total other payables	5,821	7,083	85	547
Total trade and other payables	6,654	8,205	85	547

\* Denotes amount less than S\$1,000

Trade payables are non-interest bearing and the average credit period on purchases of supplies and services range from 31 to 60 (2020: 31 to 60) days according to the terms agreed with the suppliers.

Other payable to a subsidiary was unsecured, interest-free and repayable on demand.

Deferred income relates to government grant received and is recognised as income in profit or loss on a systematic basis over the period in which the related costs, for which the grant is intended to compensate.

Credit notes to customers relate to amount refundable to employers for return of MDWs placed and goodwill rebate to customers during the financial year.

In the previous financial year, Investment payable relates to the investment in unquoted equity interest in ZWHY, as disclosed in Note 15(b).

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 26. Trade and other payables (Continued)

The Group provides five-year warranties relating to pest control services rendered that failed to perform satisfactorily. The provision for warranties represents the management's best estimates of total cost of corrective treatment with reference to historical trends within the warranty periods granted.

Movements in the provision for warranties are as follows:

	<u>Group</u>	
	2021	2020
	S\$'000	S\$'000
At beginning of financial year	2	3
Reversal of provision (Note 7)	*	(1)
At end of financial year	<u>2</u>	<u>2</u>

\* Denotes amount less than S\$1,000

The currency profiles of the Group's and Company's trade and other payables as at 31 December 2021 and 31 December 2020 are as follows:

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore dollar	6,654	7,598	85	547
Chinese renminbi	-	607	-	-
	<u>6,654</u>	<u>8,205</u>	<u>85</u>	<u>547</u>

## 27. Contract liabilities from contracts with customers

	<u>Group</u>	
	2021	2020
	S\$'000	S\$'000
<b>Contract liabilities</b>		
Advance consideration	<u>1,146</u>	<u>793</u>

Advance consideration relates to advances received for provision of Employment Services, Building Management Services and Security Services. Revenue for Employment services and Security services are recognised at the point in time whereas revenue for Building Management services is recognised over time or at a point in time although the customer pays for the services at the contract inception date. A contract liability is recognised for the advances received from the customers and is derecognised as and when the performance obligation is satisfied. Contract liabilities for the financial year ended 31 December 2021 increased due to additional advances received from customers during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 27. Contract liabilities from contracts with customers (Continued)

The Group applies practical expedient and most of the contracts with customer has an original expected duration of one year or less. The Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date, thus the Group may recognise revenue in the amount to which the Group has a right to invoice.

The Group's revenue recognised in the financial years that was included in the contract liabilities balance at the beginning of the respective financial years is as follows:

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Amounts included in contract liabilities at the beginning of the financial year		
- Service income from Employment Services	111	373
- Service income from Building Management Services	90	79
- Service income from Security Services	4	83
	<u>205</u>	<u>535</u>

## 28. Operating lease commitments

### The Group as lessor

The Group sub-let its office premises under operating leases. These non-cancellable leases have remaining lease term of five months in the previous financial year.

At the end of financial year, future minimum rentals receivables under non-cancellable operating leases are as follows:

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Future minimum lease payments receivable:		
Within one year	-	27
After one year but within five years	-	-
	<u>-</u>	<u>27</u>

The rental income recognised in profit or loss during the financial year is disclosed in Note 5 to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 29. Contingent liabilities

As at 31 December 2021, the Company has given corporate guarantee amounting to S\$688,000 (2020: S\$688,000) to a bank in respect of a banking facility granted to a subsidiary (Note 25).

The Company has evaluated the fair value of the corporate guarantee. Consequently, the Company is of the view that the fair value of the guarantee to the bank with regard to the subsidiary is not significant. The Company has not recognised any liability in respect of the guarantee given to the bank for banking facility granted to the subsidiary as the Company's directors have assessed that the likelihood of the subsidiary defaulting on repayment is remote.

As at the end of the financial year, the total amount of outstanding bank borrowing covered by corporate guarantee is S\$562,000 (2020: S\$592,000) (Note 25). Such guarantee is in the form of a financial guarantee as they require the Company to reimburse the bank if the subsidiary to which the guarantee was extended fail to make principal or interest repayments when due in accordance with the terms of the borrowing. There has been no default or non-repayment since the utilisation of the banking facility.

As at the end of the financial year, the Company had also given undertakings to certain subsidiaries for providing them with continued financial support. The financial support enable these subsidiaries to operate as going concern and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

From time to time, in the normal course of business, the Group is involved in legal proceedings. The directors believe that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of the Group.

## 30. Significant related party transactions

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
  - (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and Company if any of the following conditions applies:
  - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 30. Significant related party transactions (Continued)

- (b) An entity is related to the Group and Company if any of the following conditions applies:  
(Continued)
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

### Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly, including any director (whether executive or otherwise) of that company.

The effect of the Group's and Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Group and the Company entered into the following significant transactions with related parties:

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b><i>Subsidiaries</i></b>				
Dividend income	-	-	600	3,470
Advances to subsidiaries	-	-	-	150
Advances from a subsidiary	-	-	-	500
<b><i>Related parties</i></b>				
Service income from related parties	12	42	-	-
Service income from associates	68	-	-	-
Sales of goods to a related party	-	*	-	-
Purchases from non-controlling interests	46	404	-	-
Purchases from an associate	127	23	-	-
Loan repayment from an associate	804	-	-	-
Payment on behalf by related parties	380	333	-	-
Lease from related parties	77	73	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 30. Significant related party transactions (Continued)

### Key management personnel remuneration

	<u>Group</u>	
	<u>2021</u>	<u>2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Salaries, bonuses and other employee benefits	3,885	4,176
Defined contribution plan	382	398
Employee share options	*	*
	<u>4,267</u>	<u>4,574</u>
<b><i>Directors' fees</i></b>		
Directors of the Company	<u>145</u>	<u>167</u>

\* Denotes amount less than S\$1,000

The key management personnel comprise directors and senior management of the Company and its subsidiaries such as Head of Employment Services Business, Chief Financial Officer, and their compensation is disclosed as above.

The key management personnel also participate in the Group's ESOS. At the end of the financial year, 206,000 (2020: 206,000) share options granted to the key management personnel of the Group were outstanding.

## 31. Financial instruments and financial risks

The Group's activities expose it to credit risk, market risk (including foreign currency risk, equity price risk and interest rate risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 31. Financial instruments and financial risks (Continued)

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

### **Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises mainly from bank balances, trade and other receivables and other debt instruments carried at amortised cost. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 365 days. Due to the nature of the industry that the Group operates in, the Group has rebutted the presumption that default has taken place when the financial asset is more than 30 days past due as per SFRS(I) 9.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk <sup>(1)</sup>	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 365 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition <sup>(2)</sup> or financial asset is > 365 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired <sup>(3)</sup>	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount <sup>(4)</sup>	Written off

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 31. Financial instruments and financial risks (Continued)

### *Credit risk (Continued)*

#### Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

#### Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 365 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >365 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

#### Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 365 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 31. Financial instruments and financial risks (Continued)

### *Credit risk (Continued)*

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cash flows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

With reference to Note 29, the Company provides financial guarantee to a bank in respect of bank facility granted to a subsidiary. The date when the Group becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Group considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantees is insignificant to the Company.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

### Trade receivables (Note 20)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed through the age analysis, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the country and the growth rates of the major industries which its customers operate in.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 31. Financial instruments and financial risks (Continued)

### Credit risk (Continued)

#### Trade receivables (Note 20) (Continued)

The loss allowance for trade receivables are determined as follows:

	Current	Past due for 1 to 30 days	Past due for 31 to 60 days	Past due for 61 to 90 days	Past due for 91 to 365 days	Past due more than 365 days	Total
<b>31 December 2021</b>							
Expected credit loss rates	-	-	-	-	^	79%	
Trade receivables (Gross) (S\$'000)	4,688	2,395	960	610	1,061	346	10,060
Loss allowance (S\$'000)	-	-	-	-	*	273	273
<b>31 December 2020</b>							
Expected credit loss rates	^	^	^	^	^	100%	
Trade receivables (Gross) (S\$'000)	6,343	2,118	1,450	586	996	193	11,686
Loss allowance (S\$'000)	*	*	*	*	2	193	195

\* Denotes amount less than S\$1,000

^ Denotes percentage less than 1%

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade receivables is as follows:

Internal credit risk grading	Trade receivables		
	Note (i)	Category 4	Total
	S\$'000	S\$'000	S\$'000
<b>Loss allowance</b>			
<b>Balance at 1 January 2020</b>	81	10	91
Impairment loss recognised	104	-	104
<b>Balance at 31 December 2020</b>	185	10	195
Impairment loss recognised	85	-	85
Written off recognised	-	(7)	(7)
<b>Balance at 31 December 2021</b>	270	3	273



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 31. Financial instruments and financial risks (Continued)

### Credit risk (Continued)

#### Trade receivables (Note 20) (Continued)

Internal credit risk grading	Trade receivables		
	Note (i)	Category 4	Total
	S\$'000	S\$'000	S\$'000
<b>Gross carrying amount</b>			
At 31 December 2020	11,676	10	11,686
At 31 December 2021	10,057	3	10,060
<b>Net carrying amount</b>			
At 31 December 2020	11,491	–	11,491
At 31 December 2021	9,787	–	9,787

Note (i) For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

The age analysis of trade receivables neither past due nor impaired and past due but not impaired is as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
Not past due	4,688	6,343
Past due for 1 to 30 days	2,395	2,118
Past due for 31 to 60 days	960	1,450
Past due for 61 to 90 days	610	586
Past due for 91 to 365 days	1,061	994
Past due for more than 365 days	73	–
	<b>9,787</b>	<b>11,491</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 31. Financial instruments and financial risks (Continued)

### *Credit risk (Continued)*

#### Other receivables (Note 20)

As at 31 December 2021, the Group recorded loan of S\$2,492,000 (2020: S\$3,296,000) to an associate, G3, which is non-interest bearing and repayable on demand. In their assessment of the ECL relating to the loan receivable, it has been assessed that there is a significant increase in credit risk from initial recognition. Management assessed the ECL relating to the loan receivable from the associate based on lifetime ECL. The Group considered the ability of the associate 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 the associate has obtained confirmations from its other shareholder 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. The Group measured and determined the ECL for the loan receivable from its associate to be insignificant.

As at 31 December 2021, the Company recorded other receivables from subsidiaries of S\$6,451,000 (31 December 2020: S\$7,241,000) consequent to an extension of advances to the subsidiaries. The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of the subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 31 December 2021, the past financial performance and cash flow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in. Using 12-month ECL, the Company determined that the ECL is insignificant.

### *Market risk*

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, equity price and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### Foreign currency risk

The Group is exposed to foreign currency risk on certain liabilities that are denominated in currency other than the functional currency of the Group. As at the reporting date, the Group does not have significant foreign currency risk exposure except for financial assets and financial liabilities denominated in Chinese Renminbi.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as at the end of the financial year are as follows:

	<b>Group</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Chinese Renminbi ("RMB")	-	607	-	607

Sensitivity analysis of Singapore dollar against RMB is not presented as it is not material to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 31. Financial instruments and financial risks (Continued)

### Market risk (Continued)

#### Equity price risk

The Group is exposed to equity risk arising from equity investments classified as at financial assets at FVTPL. These securities are quoted in Singapore. To manage the price risk, the Group monitors share price on a daily basis.

If prices for equity securities listed in Singapore change by 5% (2020: 5%) with all variables including tax rate being held constant, the effects on equity will be:

<u>Group</u>	Increase/(Decrease) in Profit or Loss	
	2021	2020
	S\$'000	S\$'000
Listed in Singapore		
- increased by	104	42
- decreased by	(104)	(42)

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk relates to interest-bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

The Group's interest rate risk arises primarily from the floating rate borrowings with financial institutions.

The Group's exposure to interest rate risk is disclosed in the Notes 17 and 25 to the financial statements, and the interest rates are as follows:

	<u>Group</u>	
	2021	2020
Bank loan	1.65% to 2.30%	2.30% to 6.50%
Lease liabilities	4.94% to 6.18%	4.94% to 6.18%

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 31. Financial instruments and financial risks (Continued)

### *Market risk (Continued)*

#### Interest rate risk (Continued)

##### *Interest rate sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to interest rate risk for interest-bearing financial liabilities at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole financial year. The sensitivity analysis assumes an instantaneous 1% (2020: 1%) change in the interest rates from the end of the financial year, with all variables held constant.

<u>Group</u>	<u>Increase/Decrease in Profit or Loss</u>	
	<u>2021</u>	<u>2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Bank loan	<u>5</u>	<u>5</u>

### *Liquidity risk*

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group's operations are financed mainly through equity, retained earnings and borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

The repayment terms of the lease liabilities and bank loans are disclosed in Notes 17 and 25 to these financial statements respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 31. Financial instruments and financial risks (Continued)

### Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

<u>Group</u>	<u>Effective interest rate</u>	<u>1 year or less</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Undiscounted financial assets</b>					
Trade and other receivables	-	14,679	-	-	14,679
Less: Advances to recruiters and suppliers	-	(428)	-	-	(428)
Less: Deferred cost	-	(119)	-	-	(119)
Less: Prepayments	-	(375)	-	-	(375)
		13,757	-	-	13,757
Cash and cash equivalents	0.38-0.50	24,797	-	-	24,797
<b>As at 31 December 2021</b>		<b>38,554</b>	<b>-</b>	<b>-</b>	<b>38,554</b>
Trade and other receivables	-	18,659	-	-	18,659
Less: Advances to recruiters and suppliers	-	(626)	-	-	(626)
Less: Deferred cost	-	(155)	-	-	(155)
Less: Prepayments	-	(309)	-	-	(309)
		17,569	-	-	17,569
Cash and cash equivalents	0.30-1.40	27,617	-	-	27,617
<b>As at 31 December 2020</b>		<b>45,186</b>	<b>-</b>	<b>-</b>	<b>45,186</b>
<b>Undiscounted financial liabilities</b>					
Trade and other payables	-	6,654	-	-	6,654
Less: Deferred income	-	(362)	-	-	(362)
		6,292	-	-	6,292
Lease liabilities	4.94-6.18	1,396	788	-	2,184
Bank borrowing	1.65-2.30	41	163	434	638
<b>As at 31 December 2021</b>		<b>7,729</b>	<b>951</b>	<b>434</b>	<b>9,114</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 31. Financial instruments and financial risks (Continued)

### Liquidity risk (Continued)

<u>Group</u>	Effective interest rate	1 year or less	2 to 5 years	Over 5 years	Total
	%	S\$'000	S\$'000	S\$'000	S\$'000
<b>Undiscounted financial liabilities</b>					
Trade and other payables	-	8,205	-	-	8,205
Less: Deferred income	-	(774)	-	-	(774)
		7,431	-	-	7,431
Lease liabilities	4.94-6.18	1,547	1,165	-	2,712
Bank borrowing	2.30-6.50	43	171	506	720
<b>As at 31 December 2020</b>		9,021	1,336	506	10,863
<b>Total undiscounted net financial assets/(liabilities)</b>					
- at 31 December 2021		30,825	(951)	(434)	29,440
- at 31 December 2020		36,165	(1,336)	(506)	34,323

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 31. Financial instruments and financial risks (Continued)

### Liquidity risk (Continued)

<u>Company</u>	<u>Effective interest rate</u>	<u>On demand and within 1 year</u>
	%	S\$'000
<b>Undiscounted financial assets</b>		
Trade and other receivables	-	11,008
Less: Prepayments	-	(6)
		<u>11,002</u>
Cash and cash equivalents	0.38-0.50	<u>15,620</u>
<b>As at 31 December 2021</b>		<u>26,622</u>
Trade and other receivables	-	14,365
Less: Prepayments	-	(7)
		<u>14,358</u>
Cash and cash equivalents	0.30-1.40	<u>16,182</u>
<b>As at 31 December 2020</b>		<u>30,540</u>
<b>Undiscounted financial liabilities</b>		
Trade and other payables	-	85
Maximum amount of corporate guarantee	-	562
<b>As at 31 December 2021</b>		<u>647</u>
Trade and other payables	-	547
Maximum amount of corporate guarantee	-	592
<b>As at 31 December 2020</b>		<u>1,139</u>
<b>Total undiscounted net financial assets</b>		
- at 31 December 2021		25,975
- at 31 December 2020		<u>29,401</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 31. Financial instruments and financial risks (Continued)

### Liquidity risk (Continued)

#### Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Financial assets at fair value through profit or loss</b>				
Unquoted equity instruments	125	624	-	-
Quoted equity instruments	2,506	1,007	2,506	1,007
Total	2,631	1,631	2,506	1,007
<b>Financial assets at amortised cost</b>				
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)
	13,757	17,569	11,002	14,358
Cash and cash equivalents	24,797	27,617	15,620	16,182
Total	38,554	45,186	26,622	30,540
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	6,654	8,205	85	547
Less: Deferred income	(362)	(774)	-	-
	6,292	7,431	85	547
Lease liabilities	2,040	2,601	-	-
Bank borrowing	562	592	-	-
Total	8,894	10,624	85	547



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 32. Fair value of assets and liabilities

The fair values of applicable assets and liabilities, are determined and categorised using a fair value hierarchy as follows:

- (a) Level 1 - the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).
- (b) Level 2 - in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.
- (c) Level 3 - in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

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.

	Note	Group		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>2021</b>				
<b><u>Recurring fair value measurements</u></b>				
<b>Assets</b>				
<b>Financial assets:</b>				
Financial assets at FVTPL				
- Unquoted equity instruments	15	-	-	125
- Quoted equity instruments	15	2,506	-	-
<b>Financial assets as at 31 December 2021</b>		<b>2,506</b>	<b>-</b>	<b>125</b>
<b>2020</b>				
<b><u>Recurring fair value measurements</u></b>				
<b>Assets</b>				
<b>Financial assets:</b>				
Financial assets at FVTPL				
- Unquoted equity instruments	15	-	-	624
- Quoted equity instruments	15	1,007	-	-
<b>Financial assets as at 31 December 2020</b>		<b>1,007</b>	<b>-</b>	<b>624</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 32. Fair value of assets and liabilities (Continued)

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.

### Level 3

#### Unquoted equity instruments

For unquoted equity instruments, the valuation technique has been described in Note 15.

## 33. Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debts, which includes the borrowing disclosed in Note 25 and equity attributable to owners of the Company, comprising issued capital, retained earnings and reserves as disclosed in Notes 22, 23 and statements of changes in equity.

The Group's management reviews the capital structure on a regularly basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends to shareholders, issue new shares and share buy-backs. The Group's overall strategy remains unchanged from 2020.

Management monitors capital based on a gearing ratio of less than one. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (excluding income tax payable and deferred tax liabilities as shown in the statements of financial position), less cash and cash equivalents. Total capital is calculated as total equity as shown in the statements of financial position, plus net debt.

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Total liabilities	10,402	12,191	85	547
Less: Cash and cash equivalents	(24,797)	(27,617)	(15,620)	(16,182)
Net debt	(14,395)	(15,426)	(15,535)	(15,635)
Total equity	41,553	47,718	40,530	42,488
Total capital	27,158	32,292	24,995	26,853
Gearing ratio	N.M.	N.M.	N.M.	N.M.

\* N.M.: Not meaningful

The Group and the Company are not subjected to any externally imposed capital requirements during the financial years ended 31 December 2021 and 2020.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 34. Segment 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.

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.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.23.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 34. Segment information (Continued)

### Information about reportable segments

<u>Group</u>	Employment Services Business	Building Management Services Business	Security Services Business	Unallocated	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2021</b>					
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	15,187	-	46,701
Interest income	-	10	2	71	83
Interest expense	10	82	24	-	116
Dividend income	-	-	-	53	53
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	<b>(206)</b>	<b>(3,857)</b>	<b>495</b>	<b>(558)</b>	<b>(4,126)</b>
Share of profit/(losses) from equity-accounted for associates	<b>(208)</b>	-	28	-	<b>(180)</b>
Reportable segment assets	<b>2,117</b>	<b>20,911</b>	<b>10,877</b>	<b>18,154</b>	<b>52,059</b>
Interest in associates	<b>187</b>	-	<b>209</b>	-	<b>396</b>
Reportable segment liabilities	<b>1,826</b>	<b>5,859</b>	<b>3,036</b>	<b>(215)</b>	<b>10,506</b>
Capital expenditures	<b>141</b>	<b>177</b>	<b>171</b>	-	<b>489</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 34. Segment information (Continued)

### Information about reportable segments (Continued)

Group	Employment Services Business S\$'000	Building Management Services Business S\$'000	Security Services Business S\$'000	Unallocated S\$'000	Total S\$'000
<b>2020</b>					
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
Interest income	–	9	6	230	245
Interest expense	27	82	31	–	140
Dividend income	–	–	–	12	12
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 an associate	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 (Note 14).

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 35. Dividends

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b><i>Declared during the financial year:</i></b>		
<u>Dividends on ordinary shares</u>		
Final tax-exempt dividend for 2020: S\$ 0.0079 (2019: S\$Nil) per share	<b>1,984</b>	-
Interim tax-exempt dividend for 2021: S\$Nil (2020: S\$0.0059) per share	-	1,483
	<b>1,984</b>	<b>1,483</b>
<b><i>Dividends were settled as follows:</i></b>		
<u>Cash paid during the financial year</u>		
Interim tax-exempt dividend in respect of the financial year ended:		
31 December 2020	-	1,483
	-	1,483
Final tax-exempt dividend in respect of the financial year ended:		
31 December 2020	<b>1,984</b>	-
<b>Total dividends settled during the financial year</b>	<b>1,984</b>	<b>1,483</b>

## 36. Subsequent events after reporting date

- (i) 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 1,000,000 ordinary shares and the percentage shareholding interest of the Company in KH remains the same as 100%.
- (ii) 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 1967 of Singapore.
- (iii) 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. The acquisition is in line with the Group’s strategy to expand its range of services within its building management business division and aims to achieve synergies between the two companies and the Group’s current property valuation, property management and property agency services. It would later provide larger skilled workforce and expertise for the Group to tap on, as well as allow the Group to build on its customer base, thereby enabling the Group to expand its market share and presence in Singapore. At the reporting date, the Group has yet to perform purchase price allocation exercise for the acquisition.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 31 December 2021

## 36. Subsequent events after reporting date (Continued)

- (iv) On 2 March 2022, Advancer Global Facility Pte. Ltd. (“**AGF**”), a wholly-owned subsidiary of the Company, together with an independent third party financial investor made an indicative offer to TEE Infrastructure Private Limited (“**TEE Infrastructure**”) proposing the acquisition of TEE Infrastructure’s entire equity interest in G3 Environmental Private Limited (“**G3**”), together with the shareholder’s loan owing by G3 to TEE Infrastructure for an aggregate consideration of S\$5,500,000. As announced on 11 March 2022, the Company has subsequently received a letter from TEE Infrastructure declining the indicative offer for the aforementioned acquisition.
- (v) On 7 April 2022, APAC Cities Employment Pte Ltd, an indirect wholly-owned subsidiary of the Company held through Advancer Global Manpower Pte. Ltd. has been struck off from the Register of Companies pursuant to Section 344A of the Companies Act 1967 of Singapore.
- (vi) On 7 April 2022, Enreach Employment Pte Ltd, an indirect wholly-owned subsidiary of the Company held through Advancer Global Manpower Pte. Ltd. has been struck off from the Register of Companies pursuant to Section 344A of the Companies Act 1967 of Singapore.
- (vii) On 7 April 2022, PPMC Pte Ltd, an indirect wholly-owned subsidiary of the Company held through a 76% owned subsidiary, Newman & Goh Property Consultants Pte Ltd has been struck off from the Register of Companies pursuant to Section 344A of the Companies Act 1967 of Singapore.

## 37. Development of COVID-19 outbreak and its corresponding impact on the Group/Company

COVID-19 outbreak has brought about an unprecedented challenge for many entities, with increased uncertainty in the global economy and may have the following accounting implications on the Group:

- Interruption of Employment Service Business, Building Management Services Business and Security Services Business activities
- Shortage in supply of MDWs
- Reduction in sales or earnings

As the situation is still evolving, the full effect of the outbreak is still uncertain and the Group is therefore unable to provide a quantitative estimate of the potential impact of this outbreak on the Group. The Group continues to monitor and evaluate any possible impact on the Group’s business and will consider implementation of various measures to mitigate the effects arising from the COVID-19 situation. Based on management’s latest assessment, there is no indicator that the going concern assumption used by the Group in preparing the financial statement is inappropriate.

# STATISTICS OF SHAREHOLDINGS

As at 22 March 2022

Issued and fully paid-up capital (including Treasury Shares)	:	S\$41,919,249
Issued and fully paid-up capital (excluding Treasury Shares)	:	S\$41,678,075
Number of Shares issued (including Treasury Shares)	:	252,363,591
Number of Shares issued (excluding Treasury Shares)	:	251,185,691
Number and Percentage of Treasury Shares	:	1,177,900 or 0.47%
Number and Percentage of Subsidiary Holdings	:	0 or 0%
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share

## DISTRIBUTION OF SHAREHOLDINGS AS AT 22 MARCH 2022

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	10	2.15	357	0.00
100 - 1,000	27	5.79	14,737	0.01
1,001 - 10,000	174	37.34	1,069,310	0.42
10,001 - 1,000,000	240	51.50	22,371,450	8.91
1,000,001 AND ABOVE	15	3.22	227,729,837	90.66
<b>TOTAL</b>	<b>466</b>	<b>100.00</b>	<b>251,185,691</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS AS AT 22 MARCH 2022

NO.	NAME	SHARES	%
1	UOB KAY HIAN PRIVATE LIMITED	70,221,522	27.96
2	CHIN SWEE SIEW @ CHEN YIN SIEW	38,062,126	15.15
3	CHIN MUI HIONG	37,573,963	14.96
4	CHIN MEI YANG	30,931,018	12.31
5	ONG ENG TIANG	19,985,436	7.96
6	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	12,593,000	5.01
7	TEO SAU KEONG	6,623,376	2.64
8	KEK YEW LENG @ KEK BOON LEONG	2,141,164	0.85
9	PHILLIP SECURITIES PTE LTD	1,818,315	0.72
10	CHIN YIN YEE STANLEY	1,608,100	0.64
11	ANG BOON HOW	1,491,400	0.59
12	LIM CHER KHIANG	1,280,239	0.51
13	THE KONGZI CULTURE FUND LTD	1,214,078	0.48
14	SING CHEE NGEE	1,166,200	0.46
15	DBS NOMINEES (PRIVATE) LIMITED	1,019,900	0.41
16	JO NAERDE BERG	870,000	0.35
17	HUI HIU FAI	827,100	0.33
18	HONG LEONG FINANCE NOMINEES PTE LTD	795,200	0.32
19	CHAN HOCK LYE	716,400	0.29
20	JAMES ALVIN LOW YIEW HOCK	691,106	0.28
	<b>TOTAL</b>	<b>231,629,643</b>	<b>92.22</b>



# STATISTICS OF SHAREHOLDINGS

As at 22 March 2022

## SUBSTANTIAL SHAREHOLDERS AS AT 22 MARCH 2022 AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
FULLCAST HOLDINGS CO., LTD. <sup>(2)</sup>	65,000,000	25.88	–	–
HIRANO ASSOCIATES CO., LTD. <sup>(2)</sup>	–	–	65,000,000	25.88
TAKEHITO HIRANO <sup>(2)</sup>	–	–	65,000,000	25.88
CHIN SWEE SIEW @ CHEN YIN SIEW	38,062,126	15.15	–	–
CHIN MUI HIONG	37,573,963	14.96	–	–
CHIN MEI YANG	30,931,018	12.31	–	–
ONG ENG TIANG	19,985,436	7.96	–	–
MOHAMED ABDUL JALEEL S/O MUTHUMARICAR SHAIK MOHAMED <sup>(3)</sup>	1,502,500	0.60	12,500,000	4.98

### Notes:

- The shareholdings percentage are calculated based on 251,185,691 issued shares of the Company, excluding treasury shares.
- Takehito Hirano and his family hold 100% ordinary shareholdings in Hirano Associates Co., Ltd. (of which Takehito Hirano himself holds 18.04% ordinary shares). In addition, Takehito Hirano is a director and the Chairman of Fullcast Holdings Co., Ltd. ("**Fullcast**"). Hirano Associates Co., Ltd. holds 36.35% ordinary shares, which in turn holds 25.88% ordinary shares of Advancer Global Limited (excluding treasury shares). Hence, Takehito Hirano and Hirano Associates Co., Ltd. are deemed interested in the 65,000,000 shares held by Fullcast in the Company by virtue of Section 7 of the Companies Act.
- Mr. Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed is deemed interested in the 12,500,000 shares held by MES Group Holdings Pte. Ltd. in the share capital of the Company through his 100% interest held in MES Group Holdings Pte. Ltd.. The shares of the Company held by MES Group Holdings Pte. Ltd. are held through CGS-CIMB Securities (Singapore) Pte. Ltd.. Mr. Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed also holds 1,502,500 shares through Philip Securities Pte. Ltd..

## SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 15.73% of the issued ordinary shares in the capital of the Company are held in the hands of the public as at 22 March 2022. Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited has therefore been complied with.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Advancer Global Limited (the “**Company**”) will be convened and held by way of electronic means on Friday, 29 April 2022 at 3.00 p.m. for the following business:-

## AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors’ Statement and the Independent Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Mr. Chin Mei Yang who is retiring pursuant to Regulation 117 of the Company’s Constitution, and who, being eligible, offers himself for re-election, as Director of the Company. [See Explanatory Note (i)] **(Resolution 2)**
3. To re-elect Mr. Ong Eng Tiang who is retiring pursuant to Regulation 117 of the Company’s Constitution, and who, being eligible, offers himself for re-election, as Director of the Company. [See Explanatory Note (ii)] **(Resolution 3)**
4. To re-elect Mr. Takehito Hirano who is retiring pursuant to Regulation 117 of the Company’s Constitution, and who, being eligible, offers himself for re-election, as Director of the Company. [See Explanatory Note (iii)] **(Resolution 4)**
5. To re-elect Mr. Shamsul Kamar Bin Mohamed Razali who is retiring pursuant to Regulation 122 of the Company’s Constitution, and who, being eligible, offers himself for re-election, as Director of the Company. [See Explanatory Note (iv)] **(Resolution 5)**
6. To approve the payment of Directors’ fees of S\$148,000 for the financial year ending 31 December 2022, payable quarterly in arrears. (FY2021: S\$145,000) **(Resolution 6)**
7. To re-appoint Mazars LLP as auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**
8. To transact any other ordinary business which may properly be transacted at an annual general meeting of the Company.

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without amendments, as Ordinary Resolutions:-

9. **Authority to allot and issue shares and convertible securities** **(Resolution 8)**

That pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

  - (a) (i) allot and issue shares in the capital of the Company (the “**Shares**”) whether by way of rights, bonus or otherwise; and/or

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements, or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any instruments made or granted by the directors while this Resolution was in force, notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time of such issuance of shares,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed;
- (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:-
  - (a) new Shares arising from the conversion or exercise of convertible securities;
  - (b) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments for (a) and (b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

# NOTICE OF ANNUAL GENERAL MEETING

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. [See Explanatory Note (v)]

10. **Authority to allot and issue Shares under Advancer Global Limited Scrip Dividend Scheme (Resolution 9)**

That pursuant to Section 161 of the Companies Act, Catalist Rules and the Constitution of the Company, authority be and is hereby given to the Directors to allot and issue from time to time such number of ordinary Shares as may be required to be allotted and issued pursuant to Advancer Global Limited Scrip Dividend Scheme.

[See Explanatory Note (vi)]

11. **Authority to allot and issue Shares under Advancer Global Employee Share Option Scheme (Resolution 10)**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Advancer Global Employee Share Option Scheme (“**Advancer Global ESOS**”) and to allot and issue or deliver from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the exercise of options granted under the Advancer Global ESOS, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Advancer Global ESOS, when aggregated to the aggregate number of Shares issued and issuable or transferred and to be transferred in respect of all options under any other share option schemes shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time. The authority conferred by this Resolution shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier. [See Explanatory Note (vii)]

# NOTICE OF ANNUAL GENERAL MEETING

12. **Authority to grant awards, allot and issue shares under Advancer Global Performance Share Plan** (Resolution 11)

That authority be and is hereby given to the Directors to offer and grant awards in accordance with the provisions of the Advancer Global Performance Share Plan (“**Advancer Global PSP**”) and to allot and issue or deliver from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the vesting of awards under the Advancer Global PSP, provided that the aggregate number of Shares to be allotted and issued pursuant to the Advancer Global PSP when aggregated with the aggregate number of Shares over which awards are granted under any other share schemes shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time. The authority conferred by this Resolution shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier. [See Explanatory Note (viii)]

13. **Proposed Renewal of Share Buy-Back Mandate** (Resolution 12)

That:

(a) for the purposes of the Catalist Rules and the Companies Act, the exercise by Directors of all the powers of the Company to purchase or otherwise acquire the issued ordinary Shares in the capital of the Company not exceeding in aggregate the Prescribed Limit (as defined herein), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:

- (i) on-market purchases, transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other securities exchange on which the Shares may, for the time being, be listed (“**Market Purchase**”); and/or
- (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) which shall satisfy all the conditions prescribed by the Companies Act, as may be determined or formulated by the Directors as they may consider fit (“**Off-Market Purchase**”),

and otherwise in accordance with all other laws, regulations and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buy-back Mandate**”);

(b) the authority conferred on the Directors pursuant to the Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next annual general meeting of the Company is held or required by the law to be held;
- (ii) the date on which the Share Buy-backs have been carried out to the full extent mandated under the Share Buy-back Mandate; or

# NOTICE OF ANNUAL GENERAL MEETING

(iii) the date on which the authority contained in the Share Buy-back Mandate is varied or revoked by Shareholders in a general meeting;

(c) in this Resolution:

**“Prescribed Limit”** means 10% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of passing of this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered (excluding any treasury shares and subsidiary holdings) that may be held by the Company from time to time;

**“Maximum Price”** in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined herein); and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price, where:

**“Average Closing Price”** means the average of the closing market prices of the Shares over the last 5 Market Days on which the Shares are transacted on Catalist or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the Offer Date pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs after the relevant 5 Market Days period;

**“Market Day”** means a day on which the SGX-ST is open for trading in securities; and

**“Offer Date”** means the date on which the Company makes an offer for a Share Buy-back, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution. [See Explanatory Note (ix)]

By Order of the Board

Sin Chee Mei and Koo Wei Jia  
Company Secretaries

Singapore, 13 April 2022

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- (i) **Ordinary Resolution 2** – Mr. Chin Mei Yang will, upon re-election as a Director of the Company, remain as an Executive Director, Chief Executive Officer and a member of the Nominating Committee. Detailed information on Mr. Chin Mei Yang can be found under the “Board of Directors”, “Corporate Governance Report” and “Disclosure of Information on Directors seeking Re-election” sections in the Company’s Annual Report.
- (ii) **Ordinary Resolution 3** – Mr. Ong Eng Tiang will, upon re-election as a Director of the Company, remain as an Executive Director. Detailed information on Mr. Ong Eng Tiang can be found under the “Board of Directors”, “Corporate Governance Report” and “Disclosure of Information on Directors seeking Re-election” sections in the Company’s Annual Report.
- (iii) **Ordinary Resolution 4** – Mr. Takehito Hirano will, upon re-election as a Director of the Company, remain as a Non-Independent Non-Executive Director. Detailed information on Mr. Takehito Hirano can be found under the “Board of Directors”, “Corporate Governance Report” and “Disclosure of Information on Directors seeking Re-election” sections in the Company’s Annual Report.
- (iv) **Ordinary Resolution 5** – Mr. Shamsul Kamar Bin Mohamed Razali will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director, Chairman of Nominating Committee and a member of Audit Committee and Remuneration Committee. He is considered to be independent pursuant to Rule 704(7) of the Catalist Rules. Detailed information on Mr. Shamsul Kamar Bin Mohamed Razali can be found under the “Board of Directors”, “Corporate Governance Report” and “Disclosure of Information on Directors seeking Re-election” sections in the Company’s Annual Report.
- (v) **Ordinary Resolution 8** – The resolution, if passed, will empower the Directors of the Company to allot and issue Shares in the capital of the Company and/or Instruments (as defined above), up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which not exceeding 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) may be issued other than on a pro-rata basis to existing shareholders. This authority will, unless revoked or varied at a general meeting, expire at the next annual general meeting of the Company or by the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
- (vi) **Ordinary Resolution 9** – The resolution, if passed, will empower the Directors, to allot and issue ordinary Shares pursuant to the Advancer Global Limited Scrip Dividend Scheme (“**Scheme**”) should the Company decide to apply the Scheme to any dividend declared by the Company from the date of this Annual General Meeting until the date of the next annual general meeting of the Company.
- (vii) **Ordinary Resolution 10** – The resolution, if passed, will empower the Directors of the Company to offer and grant options, and to allot and issue new Shares in the capital of the Company, pursuant to the Advancer Global ESOS as may be modified by the Remuneration Committee from time to time, provided that the aggregate number of shares to be allotted and issued pursuant to the Advancer Global ESOS shall not exceed 15% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.
- (viii) **Ordinary Resolution 11** – The resolution, if passed, will empower the Directors of the Company to offer and grant awards, and to allot and issue new Shares in the capital of the Company, pursuant to the Advancer Global PSP as may be modified by the Remuneration Committee from time to time, provided that the aggregate number of Shares to be allotted and issued pursuant to the Advancer Global PSP shall not exceed 15% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.
- (ix) **Ordinary Resolution 12** – The resolution, if passed, will empower the Directors of the Company to make purchases or otherwise acquire the Company’s issued Shares from time to time subject to and in accordance with the guidelines set out in the Addendum to Shareholders dated 13 April 2022. The authority will expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier, unless previously revoked or waived at a general meeting.

## Notes:

1. To minimize physical interactions and COVID-19 transmission risks, the Annual General Meeting (“**AGM**”) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company will not accept any physical attendance by members.

Printed copies of this Notice of AGM and the accompanying Annual Report, Addendum to Shareholders and Proxy Form will not be sent to members of the Company. Instead, these documents will be made available to members of the Company by electronic means via publication on the Company’s corporate website at [https://advancer.listedcompany.com/sgx\\_announcements.html/year/2022](https://advancer.listedcompany.com/sgx_announcements.html/year/2022) and on the SGXNET.



# NOTICE OF ANNUAL GENERAL MEETING

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast), submission of questions in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company's announcement dated 13 April 2022, which has been uploaded together with the Notice of AGM on SGXNET on the same day. The announcement may also be accessed at the Company's website at [https://advancer.listedcompany.com/sgx\\_announcements.html/year/2022](https://advancer.listedcompany.com/sgx_announcements.html/year/2022). For the avoidance of doubt, the aforesaid section is circulated together with and forms part of this Notice of AGM in respect of the meeting.
3. Members will be able to watch the AGM proceedings through a live audio-visual webcast via mobile phones, tablets, computers. In order to do so, members, must pre-register online via the link at [www.zemevents.com/advancer](http://www.zemevents.com/advancer) by 3:00 p.m. on 26 April 2022 (the "Registration Deadline") being not less than 72 hours before the time appointed for holding the AGM) to enable the Company to verify their members' status.

Following the verification and upon the closure of pre-registration, authenticated members will receive email instructions to access the live audio-visual webcast of the AGM proceedings ("**Confirmation Email**") by 28 April 2022. Members who have pre-registered for the live audio-visual webcast but who have not received the Confirmation Email by 28 April 2022 may contact Sean Quek, [sean@zem.com.sg](mailto:sean@zem.com.sg), or +65 84183977.

Members are reminded that the AGM proceedings are private. Accordingly, members must not forward the Confirmation Email to other persons who are not members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the live audio-visual webcast.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act) and who wish to participate in the AGM should contact their respective relevant intermediaries through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

4. Members (whether individual or corporate) will not be able to vote online through the live audio-visual webcast on the resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a Proxy Form to appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, members of the Company must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
5. The Chairman of the Meeting, as proxy, need not be a member of the Company.
6. The Proxy Form appointing the Chairman of the Meeting as a proxy, together with the power of attorney or other authority, if any, under which it is signed (if applicable) or notarially certified copy of that power of attorney or other authority, must be submitted:
  - (i) by email to the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia); or
  - (ii) by post to the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In either case, by 3:00 p.m. on 26 April 2022 (being not less than seventy-two (72) hours before the time appointed for holding the AGM) (or any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS Investors, who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (which would include CPF Agent Banks and SRS Operators) through which they hold such shares in order to submit their voting instructions at least seven (7) working days before the AGM in order to allow sufficient time for their respective intermediaries to in turn submit a Proxy Form to appoint the Chairman of the Meeting to vote on their behalf by 3:00 p.m. on 26 April 2022.

7. Members will not be able to raise questions at the AGM during the live audio-visual webcast. Members may submit questions relating to the items on the resolutions set out in the Notice of the AGM in advance:
  - (i) by email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia); or
  - (ii) by post to the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712;

All questions must be submitted by 5:00 p.m. on 20 April 2022 (the "Cut-off Time").



# NOTICE OF ANNUAL GENERAL MEETING

Members, including CPF and SRS Investors, who wish to submit their questions are required to indicate their full names (for individuals)/company names (for corporations), NRIC/passport number/company registration numbers, contact numbers, shareholding types and number of shares held together with their submission of questions.

Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (other than CPF & SRS Investors) should contact their respective relevant intermediaries through which they hold such shares to submit their questions related to the resolutions to be tabled for approval at the AGM based on the abovementioned instructions.

The Company will address substantial questions relevant to the resolution to be tabled for approval at the AGM as received from shareholders by way of an announcement released on SGXNET soonest possible and in any case, not later than 48 hours before the closing date and time for the lodgement of proxy forms. The minutes of the AGM will be published on the SGXNET and the Company's website within one (1) month after the date of the AGM.

## IMPORTANT NOTICE

Due to the evolving COVID-19 situation in Singapore, the Company may change the AGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the AGM via the SGXNET. Members are advised to check the SGXNET regularly for updates on the AGM.

## PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via live audio-visual webcast, or (c) submitting any question prior to the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) or proxy forms appointing the Chairman of the Meeting as proxy of the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM via live audio-visual webcast and providing any technical assistance where necessary, addressing relevant and substantial questions from members received before and/or during the AGM and if necessary, following up with the relevant members in relation to such questions and enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities (collectively, the "Purposes"); Photographic, sound, and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of the member of the Company (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she propose/second) may be recorded by the Company for such Purposes.

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*This notice has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor").*

*This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.*

*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.*

# ADVANCER GLOBAL LIMITED

(Co. Reg. No. 201602681W)

(Incorporated in the Republic of Singapore)

## ANNUAL GENERAL MEETING PROXY FORM

### IMPORTANT:

1. To minimize physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person, members must appoint the Chairman of the Meeting as their proxy to attend, speak and vote on their behalf at the AGM if such members wish to exercise their voting rights at the AGM.
2. Alternative arrangements relating to attendance at the AGM via electronic means, submission of questions in advance of the AGM, addressing of substantial and relevant questions and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM dated 13 April 2022.
3. Please read the notes to the proxy form which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her behalf at the AGM.

I/We\*, \_\_\_\_\_ (Name), \_\_\_\_\_ (NRIC/Passport/Co. Reg. No.\*)

of \_\_\_\_\_ (Address)

being a member/members\* of ADVANCER GLOBAL LIMITED, (the "Company"), hereby appoint the Chairman of the Meeting, as my/our\* proxy, to attend and vote for me/us\* on my/our\* behalf, by poll, at the Annual General Meeting ("AGM") of the Company to be convened and held via electronic means on Friday, 29 April 2022 at 3:00 p.m. and at any adjournment thereof.

I/We\* direct my/our\* proxy to vote for or against, or to abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at AGM and at any adjournment thereof, the appointment of the Chairman of the Meeting as my/our\* proxy will be treated as invalid.

No.	Resolutions relating to:	For	Against	Abstain
1.	Adoption of Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors' Statement and the Independent Auditors' Report			
2.	Re-election of Mr. Chin Mei Yang as Director			
3.	Re-election of Mr. Ong Eng Tiang as Director			
4.	Re-election of Mr. Takehito Hirano as Director			
5.	Re-election of Mr. Shamsul Kamar Bin Mohamed Razali as Director			
6.	Approval of payment of Directors' fees of S\$148,000 for the financial year ending 31 December 2022, payable quarterly in arrears.			
7.	Re-appointment of Mazars LLP as auditors and authority to fix their remuneration			
8.	Authority to allot and issue shares and convertible securities			
9.	Authority to allot and issue shares under Advancer Global Limited Scrip Dividend Scheme			
10.	Authority to allot and issue shares under Advancer Global Employee Share Option Scheme			
11.	Authority to grant awards and allot and issue shares under Advancer Global Performance Share Plan			
12.	Proposed renewal of Share Buy-Back Mandate			

\*Delete where inapplicable

NOTE : All Resolutions put to vote at the AGM shall be decided by way of poll. If you wish the Chairman of the Meeting as your proxy to exercise all your votes "For" or "Against" or "Abstain" from voting on the relevant resolution, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy, who is the Chairman of the Meeting, not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Total Number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s)/and, Common Seal of  
Corporate Member

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**Notes:**

1. This Proxy Form must be read in conjunction with the Company's announcement dated 13 April 2022. This Proxy Form may be accessed at the Company's website at [https://advancer.listedcompany.com/sgx\\_announcements.html/year/2022](https://advancer.listedcompany.com/sgx_announcements.html/year/2022) and will also be made available on SGXNet. A printed copy of this Proxy Form will not be despatched to members.
2. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of Shares. If no number is inserted, the instrument appointing the Chairman of the Meeting as a proxy shall be deemed to relate to all the Shares held by you.
3. To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members (whether individual or corporate) must appoint the Chairman of the Meeting as their proxy to attend, speak and vote on their behalf at the AGM if such members wishes to exercise their voting rights at the AGM. In appointing the Chairman of the AGM as proxy, a members (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in this Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
4. The Chairman of the Meeting, being a proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be submitted:
  - (i) by email to the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia); or
  - (ii) by post to the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712,in either case, by 3:00 p.m. on 26 April 2022, being not less than seventy-two (72) hours before the time appointed for holding the AGM (or any adjournment thereof) and in default the instrument of proxy shall not treated as valid.
6. The instrument appointing the Chairman of the Meeting as a proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing Chairman of the Meeting as a proxy is executed by a corporation, it must be executed either under its seal or under the hand of its attorney or a duly authorised officer. The dispensation of the use of common seal pursuant to the Companies Act 1967 of Singapore effective from 30 March 2017 is applicable at this AGM.
7. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act 1967 of Singapore.
8. For investors who hold Shares in the capital of the Company under Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS"), this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS Investors who wish to appoint the Chairman of the Meeting to act as their proxy should approach their respective relevant intermediaries, CPF Agent Banks or SRS Operators to submit their votes at least seven (7) workings days before the AGM.
9. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as a proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointer specified in the instrument appointing the Chairman of the Meeting as a proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as a proxy lodged if the member being the appointer, is not shown to have shares entered against his name in the Deposit Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by the Central Depository (Pte) Limited to the Company.

**PERSONAL DATA PRIVACY**

By submitting this Proxy Form to appoint the Chairman of the Meeting as a proxy to vote at AGM and/or any adjournment thereof, member of the Company is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of Annual General Meeting of the Company dated 13 April 2022.

