

Condensed Unaudited Financial Statements For the Six Months Ended 30 June 2022 (“HY2022”)

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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 and its Subsidiaries

**Condensed interim consolidated statement of profit or loss and other comprehensive income
For the six-month financial period ended 30 June 2022**

	Note	Group		
		HY2022 S\$'000	HY2021 S\$'000	Changes (%)
Revenue	5	31,512	29,937	5.3
Cost of Sales		(24,663)	(23,512)	4.9
Gross profit		6,849	6,425	6.6
Other operating income		2,208	2,026	9.0
Administrative expenses		(8,796)	(9,234)	(4.7)
Finance expenses		(48)	(62)	(22.6)
Share of losses from equity-accounted for associates		(25)	(130)	(80.8)
Profit/(loss) before income tax	6	188	(975)	N/M
Income tax credit/(expense)	8	13	(32)	N/M
Profit/(loss) for the financial period, representing total comprehensive income/(loss) for the financial period		201	(1,007)	N/M
Profit/(loss) for the financial period attributable to:				
Owners of the Company		247	(905)	N/M
Non-controlling interests		(46)	(102)	(54.9)
Profit/(loss) for the financial period		201	(1,007)	N/M
Earnings/(loss) per share attributable to owners of the Company				
Weighted average number of ordinary shares outstanding for basic and diluted loss per share ('000)		251,186	251,190	
Basic and diluted (cents)	11	0.10	(0.36)	N/M

Note:

(1) N/M – Not meaningful

Advancer Global Limited and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income For the six-month financial period ended 30 June 2022

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

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

Employment Services

Revenue from the Employment Services Business increased by S\$1.1 million from S\$3.6 million recognised in six-month financial period ended 30 June 2021 (“HY2021”) to S\$4.7 million recognised in six-month financial period ended 30 June 2022 (“HY2022”). There was an increase in the number of Migrant Domestic Workers (“MDWs”) that the Group had placed out to households in Singapore in HY2022 as compared to HY2021 due to the gradual re-opening of borders in Singapore and source countries since April 2022. The Employment Services division had in HY2022 opened one (1) branch in Toa Payoh in addition to two (2) branches in Jurong and Tampines.

Building Management

Revenue from the Building Management Business increased by S\$1.1 million from S\$17.3 million recognised in HY2021 to S\$18.4 million recognised in HY2022 mainly due to (a) an increase in service income received from cleaning contracts with hotels and smart toilet system sold and (b) revenue contribution from the acquisition of 100% of the total issued and paid up capital of SRE Management Services Pte. Ltd. (“SREM”, formerly known as Propmag Management Services Pte Ltd.) and SRE Property & Facility Pte. Ltd. (“SREP”, formerly known as Propmag Property & Facility Pte. Ltd.), through 82% indirectly owned subsidiary SRE Global Pte. Ltd. (“SRE”) on 15 February 2022.

Collectively, SREM and SREP are the “New Subsidiaries”.

The increase was offset by a decrease in revenue from service income from pest control, gardening and landscaping services due to lesser contracts signed.

Security Services

Revenue from the Security Services Business decreased by S\$0.7 million from S\$9.1 million recognised in HY2021 to S\$8.4 million recognised in HY2022, mainly due to completion of security projects at community care centers and a university.

2. Increase in cost of sales by S\$1.2 million from S\$23.5 million in HY2021 to S\$24.7 million in HY2022 was in line with increase in revenue from Employment Services Business and Building Management Business, and mainly due to:

Employment Services Business

Increase in cost of sales by approximately S\$0.8 million due to increase in recruitment costs paid (or payable) to overseas recruiters, and increase in MDW’s accommodation expenses and medical check-up expenses.

Building Management Business

Increase in cost of sales by approximately S\$1.1 million due to (a) direct labour costs incurred for additional headcounts from the New Subsidiaries, (b) increase in average wage paid to cleaners to meet the requirement of Progressive Wage Model under the Cleaning Business License scheme administered by National Environmental Agency, (c) subcontractors’ fee for the Group’s cleaning projects and incurred by New Subsidiaries, and (d) depreciation of right-of-use assets in relation to the lease of hostel.

The above-mentioned increase was offset by a decrease of costs of sales in Security Services Business by approximately S\$0.7 million.

Security Services Business

Decrease in cost of sales by approximately S\$0.7 million was due to decreased in subcontractors’ fee which was in line with the decrease in revenue.

Advancer Global Limited and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income For the six-month financial period ended 30 June 2022

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

3. The Group's gross profit margin remained relatively constant at 21.7% in HY2022 and 21.5% in HY2021.
4. Increase in other operating income by S\$0.2 million from S\$2.0 million in HY2021 to S\$2.2 million in HY2022 was mainly due to (a) fair value gain arising from financial assets at FVTPL, (b) interest income from fixed deposits placed with the banks, (c) dividend income from investment in quoted shares, (d) gain on strike off a subsidiary with non-controlling interest, PPMC Pte. Ltd. and (e) government credit scheme and government grants such as Jobs Growth Incentive, Enabling Employment Credit and Senior Worker Early Adopter Grant and Part-Time Re-employment Grant. The increase was offset by the decrease in rental income and absence of (a) reversal of loss allowance for trade receivables, (b) gain on bargain purchase from acquisition of HBA Group Property Consultants Pte. Ltd. in May 2021, and (c) compensation from insurance claims.
5. Administrative expenses decreased by S\$0.4 million from S\$9.2 million in HY2021 to S\$8.8 million in HY2022, mainly due to decrease in:
 - (a) loss allowance for trade receivables;
 - (b) amortization of intangible assets;
 - (c) depreciation of property, plant and equipment;
 - (d) depreciation of right-of-use assets due to termination of leases for office premises;
 - (e) remuneration of subsidiaries' directors and staff costs; and
 - (f) property, plant and equipment written-off.

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

- (a) insurance expenses;
 - (b) petrol expenses due to increased petrol duty rate in Singapore;
 - (c) electricity expenses due to higher electricity tariff;
 - (d) restoration costs due to termination of lease for office premises;
 - (e) software subscription fee incurred for Group's property management business;
 - (f) retainer fees paid to third party (who is independent and unrelated to the Company, its directors and controlling shareholders or their respective associates) to facilitate the merger process among SREM, SREP and SRE.
6. Finance expenses decreased by S\$14,000 mainly due to the decrease in interest expenses on lease liabilities and property loan.
 7. The Group recorded share of loss of S\$37,000 from investment in Fullcast International Co., Ltd. ("**Fullcast**") for HY2022 which was offset by the share of profit of S\$12,000 from investment in Eazable Pte. Ltd. ("**Eazable**").

Advancer Global Limited and its Subsidiaries

Condensed interim statements of financial position
As at 30 June 2022

	Note	Group		Company	
		As at		As at	
		30-Jun- 2022 S\$'000	31-Dec- 2021 S\$'000	30-Jun- 2022 S\$'000	31-Dec- 2021 S\$'000
ASSETS					
Non-current assets					
Goodwill on consolidation	12	5,419	4,425	-	-
Intangible assets	13	458	539	-	-
Investments in subsidiaries	14	-	-	11,487	11,487
Investments in associates	15	371	396	-	-
Other investments	16	125	125	-	-
Property, plant and equipment	17	1,994	2,007	-	-
Right-of-use assets		2,065	1,860	-	-
Deferred tax assets		27	28	-	-
Total non-current assets		10,459	9,380	11,487	11,487
Current assets					
Inventories		853	697	-	-
Other investments	16	3,068	2,506	3,068	2,506
Trade and other receivables		14,622	14,679	13,102	11,008
Cash and bank balances		21,644	24,797	13,075	15,620
Total current assets		40,187	42,679	29,245	29,134
Total assets		50,646	52,059	40,732	40,621
EQUITY AND LIABILITIES					
Equity					
Share capital	19	40,607	40,607	40,607	40,607
Treasury shares	20	(241)	(241)	(241)	(241)
Retained earnings		3,705	3,352	244	58
Other reserves		(3,299)	(2,851)	-	106
Equity attributable to owners of the Company		40,772	40,867	40,610	40,530
Non-controlling interests		319	686	-	-
Total equity		41,091	41,553	40,610	40,530
Non-current liabilities					
Deferred tax liabilities		76	85	-	-
Lease liabilities		864	698	-	-
Bank borrowing	22	514	530	-	-
Total non-current liabilities		1,454	1,313	-	-
Current liabilities					
Lease liabilities		1,287	1,342	-	-
Trade and other payables		5,659	6,654	119	85
Contract liabilities from contracts with customers		1,115	1,146	-	-
Bank borrowing	22	32	32	-	-
Income tax payable		8	19	3	6
Total current liabilities		8,101	9,193	122	91
Total liabilities		9,555	10,506	122	91
Total equity and liabilities		50,646	52,059	40,732	40,621

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

Explanatory Notes to the condensed interim statements of financial position

1. Current assets

The Group's current assets decreased by S\$2.5 million or 5.8% from S\$42.7 million as at 31 December 2021 to S\$40.2 million as at 30 June 2022, mainly due to decrease in cash and cash equivalents of S\$3.2 million (more details of the cash movement is explained in the review of the Group's Statement of Cash Flows), offset by the increase in (a) investment in quoted shares of S\$0.6 million and (b) inventories of S\$0.1 million during the financial period.

2. Non-current assets

The Group's non-current assets increased by S\$1.1 million or 11.5% from S\$9.4 million as at 31 December 2021 to S\$10.5 million as at 30 June 2022, mainly due to increase in (a) goodwill of S\$0.9 million arising from acquisition of New Subsidiaries in February 2022 (Note 14) and (b) right-of-use assets of S\$0.2 million due to new leases of office premises.

3. Current liabilities

The Group's current liabilities decreased by S\$1.1 million or 11.9% from S\$9.2 million as at 31 December 2021 to S\$8.1 million as at 30 June 2022, mainly due to decrease in (a) salary payables, (b) credit notes to customers for the Employment Services Business and Property Management Business, (c) deferred income in relation to government grant received and which will be recognised as income over the period to match with their related costs, (d) provision of unutilised leave, and (e) dividend payable to non-controlling interest.

4. Non-current liabilities

The Group's non-current liabilities increased by S\$0.1 million or 10.7% from S\$1.3 million as at 31 December 2021 to S\$1.4 million as at 30 June 2022, mainly due to the increase of (a) lease liabilities as a result of additional lease liabilities from new leases of office premises during HY2022 which was offset by decrease in (a) deferred tax liabilities, and (b) bank borrowing.

Advancer Global Limited and its Subsidiaries

Condensed interim statements of changes in equity
For the six-month financial period ended 30 June 2022

Group

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Share options reserve	Capital reserve	Merger reserve	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance at 1 January 2022	40,607	(241)	3,352	106	(354)	(2,603)	40,867	686	41,553
Profit for the financial period, representing total comprehensive income for the financial period	-	-	247	-	-	-	247	(46)	201
Share options expired	-	-	106	(106)	-	-	-	-	-
Acquisition of interest in a subsidiary without change of control	-	-	-	-	(342)	-	(342)	(298)	(640)
Strike off a subsidiary with non-controlling interest	-	-	-	-	-	-	-	(23)	(23)
Balance at 30 June 2022	40,607	(241)	3,705	-	(696)	(2,603)	40,772	319	41,091
Balance at 1 January 2021	40,607	(232)	9,375	112	(339)	(2,603)	46,920	798	47,718
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(905)	-	-	-	(905)	(102)	(1,007)
Purchase of treasury shares	20	(9)	-	-	-	-	(9)	-	(9)
Share options expenses pursuant to the ESOS	6	-	-	2	-	-	2	-	2
Share options forfeited	-	-	3	(3)	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	192	192
Disposal of interest in a subsidiary without change of control	-	-	-	-	30	-	30	-	30
Non-controlling interests' investment in a subsidiary	-	-	-	-	-	-	-	96	96
Dividend declared	9	-	(1,984)	-	-	-	(1,984)	(96)	(2,080)
Balance at 30 June 2021	40,607	(241)	6,489	111	(309)	(2,603)	44,054	888	44,942

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

Advancer Global Limited and its Subsidiaries

**Condensed interim statements of changes in equity
For the six-month financial period ended 30 June 2022**

<u>Company</u>		Share capital	Treasury shares	Retained earnings	Share options reserve	Total
	Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2022		40,607	(241)	58	106	40,530
Profit for the financial period, representing total comprehensive income for the financial period		-	-	80	-	80
Share options expired		-	-	106	(106)	-
Balance at 30 June 2022		40,607	(241)	244	-	40,610
Balance at 1 January 2021		40,607	(232)	2,001	112	42,488
Loss for the financial period, representing total comprehensive loss for the financial period		-	-	(218)	-	(218)
Purchase of treasury shares	20	-	(9)	-	-	(9)
Share options expenses pursuant to the ESOS	6	-	-	-	2	2
Share options forfeited		-	-	3	(3)	-
Dividends declared	9	-	-	(1,984)	-	(1,984)
Balance at 30 June 2021		40,607	(241)	(198)	111	40,279

* Denotes amount less than S\$1,000

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

Advancer Global Limited and its Subsidiaries

**Condensed interim consolidated statement of cash flows
For the six-month financial period ended 30 June 2022**

	Group	
	HY2022	HY2021
	S\$'000	S\$'000
Operating activities		
Profit/(loss) before income tax	188	(975)
Adjustments for:		
Amortisation of intangible assets	81	152
Depreciation of property, plant and equipment	283	305
Depreciation of right-of-use assets	805	854
Dividend income	(55)	(26)
Unrealised exchange gain	-	*
Fair value (gain)/loss arising from quoted financial assets at fair value through profit or loss (“FVTPL”)	(133)	64
Gain on disposal of property, plant and equipment, net	(4)	(2)
Gain on bargain purchase arising from acquisition	-	(93)
Gain on striking off a subsidiary	(23)	-
(Gain)/Loss on lease modification	(5)	5
Interest expense	48	62
Interest income	(88)	(41)
Loss allowance for receivables (trade), net	15	59
Property, plant and equipment written-off	*	56
Share options expenses pursuant to the ESOS	-	2
Share of losses from equity-accounted for associates	25	130
Operating cash flows before movements in working capital	<u>1,137</u>	<u>552</u>
Changes in working capital:		
Inventories	(156)	(32)
Trade and other receivables	66	2,930
Trade and other payables	(933)	(668)
Contract liabilities from contracts with customers	(31)	321
Cash generated from operations	<u>83</u>	<u>3,103</u>
Interest received	88	41
Income taxes paid	(16)	(86)
Net cash generated from operating activities	<u>155</u>	<u>3,058</u>
Investing activities		
Dividend received	55	26
Investment in an associate	-	(180)
Investment in unquoted equity instruments at FVTPL	-	(607)
Net cash outflow on acquisition of subsidiaries	(954)	(700)
Acquisition of non-controlling interests in a subsidiary	(640)	-
Disposal of non-controlling interest in a subsidiary	-	30
Proceeds from disposal of property, plant and equipment	47	20
Proceed from disposal of investment in unquoted equity instruments at FVTPL	-	12
Purchase of property, plant and equipment	(310)	(375)
Purchase of quoted equity financial assets at FVTPL	(429)	(2,030)
Net cash used in investing activities	<u>(2,231)</u>	<u>(3,804)</u>

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

Advancer Global Limited and its Subsidiaries

Condensed interim consolidated statement of cash flows For the six-month financial period ended 30 June 2022

	Group	
	HY2022 S\$'000	HY2021 S\$'000
Financing activities		
Dividends paid to owners of the Company	-	(1,984)
Dividends paid to non-controlling interests of subsidiaries	(120)	-
Interest paid	(10)	(16)
Purchase of treasury shares	-	(9)
Repayment of bank borrowing	(16)	(15)
Repayment of lease liabilities	(931)	(927)
Repayment to directors	-	(454)
Net cash used in financing activities	(1,077)	(3,405)
Net decrease in cash and cash equivalents	(3,153)	(4,151)
Cash and cash equivalents at beginning of financial period	24,797	27,617
Cash and cash equivalents at end of financial period	21,644	23,466

* Denotes amount less than S\$1,000

Explanatory Notes to the condensed consolidated statement of cash flows

Group's cash and cash equivalents decreased by S\$3.2 million from S\$24.8 million as at 31 December 2021 to S\$21.6 million as at 30 June 2022.

- (1) The Group's net cash generated from operating activities amounted to S\$0.2 million for HY2022, which resulted from operating cash flows before movements in working capital of S\$1.1 million and decrease in trade and other receivables of S\$0.1 million, offset by the decrease in trade and other payables of S\$0.9 million and the increase in inventories of S\$0.1 million.
- (2) Net cash used in investing activities amounted to S\$2.2 million for HY2022, which was mainly due to (a) purchase of property, plant and equipment of S\$0.3 million relating mainly to (i) renovation of new office premises for the Group's Employment Services Business and Property Management Business and (ii) purchase of commercial vehicle for Group's Employment Service Business, (b) net cash outflow for the investments in subsidiaries of S\$0.9 million relating to the acquisition of New Subsidiaries, (c) cash outflow of S\$0.6 million for acquisition of 16% of the issued and paid-up share capital of Newman & Goh Property Consultants Pte Ltd ("NGPC") and Newman & Associates Pte. Ltd. ("NAPL") and (d) investment in quoted shares of S\$0.4 million.
- (3) Net cash used in financing activities amounted to S\$1.1 million for HY2022, mainly due to (a) payment for lease liabilities of S\$0.9 million, (b) payment of dividend to non-controlling interests of subsidiaries of S\$0.1 million, (c) interest payment of S\$10,000 in relation to bank borrowing and lease liabilities, and (d) repayment of bank borrowing of S\$16,000.

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

1. Corporate information

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

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

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

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

These condensed interim consolidated financial statements as 30 June 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

2. Basis of preparation

The condensed unaudited financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed unaudited financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

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

2.1 New and amended standards adopted by the Group

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

2.2 Use of estimates and judgements

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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

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

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

Note 12 – impairment of goodwill on consolidation

Note 13 – impairment of intangible assets

Note 14 – impairment of investments in subsidiaries

Note 15 – impairment of investments in associates

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

Note 23 – fair value of assets and liabilities

3 Seasonal operations

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

4 Segment and revenue information

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

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

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 June 2022

4 Segment and revenue information (Continued)

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

Information about reportable segments

<u>Group</u>	<u>Employment Services Business S\$'000</u>	<u>Building Management Services Business S\$'000</u>	<u>Security Services Business S\$'000</u>	<u>Unallocated S\$'000</u>	<u>Total S\$'000</u>
30 June 2022					
External sales	4,696	18,420	8,396	-	31,512
- Service income	4,696	18,365	8,132	-	31,193
- Installation services	-	5	8	-	13
- Sales of goods	-	50	256	-	306
Cost of sales	2,706	14,695	7,262	-	24,663
Interest income	-	7	2	79	88
Interest expense	2	36	10	-	48
Dividend income	-	-	-	55	55
Amortisation	10	71	-	-	81
Depreciation	137	778	173	-	1,088
Loss allowance for receivables (trade),net	-	1	14	-	15
Reportable segment profit/(loss) before income tax	481	(288)	(85)	80	188
Share of profit/(loss) from equity-accounted for associates	(37)	*	12	-	(25)
Reportable segment assets	2,591	22,331	9,512	16,212	50,646
Interest in associates	150	*	220	-	371
Reportable segment liabilities	1,911	5,042	2,480	122	9,555
Capital expenditures	172	128	10	-	310
30 June 2021					
External sales	3,567	17,259	9,111	-	29,937
- Service income	3,567	17,254	9,089	-	29,910
- Installation services	-	-	3	-	3
- Sales of goods	-	5	19	-	24
Cost of sales	1,952	13,612	7,948	-	23,512
Interest income	-	5	1	35	41
Interest expense	2	42	18	-	62
Dividend income	-	-	-	26	26
Amortisation	-	152	-	-	152
Depreciation	169	782	208	-	1,159
Loss allowance for receivables (trade)	-	101	-	-	101
Reportable segment profit/(loss) before income tax	44	(665)	(136)	(218)	(975)
Share of profit/(loss) from equity-accounted for associates	(143)	-	13	-	(130)
Reportable segment assets	2,435	24,533	11,075	17,864	55,907
Interest in associates	253	-	193	-	446
Reportable segment liabilities	1,872	5,598	3,537	(42)	10,965
Capital expenditures	34	185	156	-	375

*Denotes amount less than S\$1,000

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 June 2022

4 Segment and revenue information (Continued)

Geographical information

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

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

5. Disaggregation of Revenue

	<u>Group</u>	
	<u>HY2022</u> S\$'000	<u>HY2021</u> S\$'000
Service income (point in time)		
– Employment Services	4,696	3,567
– Building Management Services	3,449	3,398
– Security Services	1,203	51
	9,348	7,016
Service income (over time)		
– Employment Services	-	-
– Building Management Services	14,916	13,856
– Security Services	6,929	9,038
	21,845	22,894
Installation services (point in time)	13	3
Sales of goods (point in time)	306	24
	<u>31,512</u>	<u>29,937</u>

6. Profit/(loss) before income tax

Profit/(loss) before tax has been arrived after crediting / (charging):

	<u>Group</u>	
	<u>HY2022</u> S\$'000	<u>HY2021</u> S\$'000
<i>Included in other operating income:</i>		
Dividend income	55	26
Fair value gain arising from quoted financial assets at FVTPL	133	-
Gain on bargain purchase arising from acquisition	-	93
Gain on disposal of property, plant and equipment, net	4	2
Gain on striking off a subsidiary	23	-
Gain on lease modification	5	-
Government credit schemes and government grants	1,859	1,739
Reversal of loss allowance for receivables (trade)	-	42
Rental income	14	32
Interest income from advances to subcontractors	7	4
Interest income from fixed deposits	81	37

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 June 2022

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

Profit/(loss) before tax has been arrived after crediting / (charging) (Continued):

	Group	
	HY2022	HY2021
	S\$'000	S\$'000
Included in cost of sales:		
Cost of inventories recognised as an expense	(226)	(443)
Depreciation of right-of-use assets	(176)	(155)
Insurance	(257)	(292)
Expenses relating to lease of low-value assets	(4)	-
Expenses relating to short-term leases	(101)	(253)
Recruitment expenses	(1,714)	(1,265)
Staff costs (excluding key management personnel remuneration)	(17,121)	(15,899)
Subcontractors' fees	<u>(3,789)</u>	<u>(4,399)</u>
Included in administrative expenses:		
Advertising expenses	(135)	(137)
Amortisation of intangible assets	(81)	(152)
Depreciation of property, plant and equipment	(283)	(305)
Depreciation of right-of-use assets	(629)	(699)
Directors' fees	(74)	(71)
Expenses relating to short-term leases	(67)	(67)
Expenses relating to lease of low-value assets	(3)	-
Fair value loss arising from quoted financial assets at FVTPL	-	(64)
Insurance	(149)	(130)
Key management personnel remuneration	(1,958)	(2,202)
Loss allowance for receivables (trade)	(15)	(101)
Loss on lease modification	-	(5)
Property, plant and equipment written-off	*	(56)
Retainer fees	(402)	(58)
Share option expenses	-	(2)
Staff costs (excluding key management personnel remuneration)	<u>(3,695)</u>	<u>(3,943)</u>
Included in finance expenses:		
Interest expenses on borrowing	(5)	(7)
Interest expenses on leases	<u>(43)</u>	<u>(55)</u>

*Denotes amount less than S\$1,000

7. Related party transactions

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

Advancer Global Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 June 2022

7. Related party transactions (Continued)

	<u>Group</u>		<u>Company</u>	
	<u>HY2022</u> S\$'000	<u>HY2021</u> S\$'000	<u>HY2022</u> S\$'000	<u>HY2021</u> S\$'000
Subsidiaries				
Dividend income	-	-	-	-
Advances to subsidiaries	-	-	2,051	-
Related parties				
Service income from related parties	5	14	-	-
Service income from associates	14	32	-	-
Purchases from non-controlling interests	133	4	-	-
Purchases from associates	9	5	-	-
Purchases from a related party	1	-	-	-
Payment on behalf by related parties	87	50	-	-
Lease from related parties	38	38	-	-

8. Income tax (credit)/expense

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

	<u>Group</u>	
	<u>HY2022</u> S\$'000	<u>HY2021</u> S\$'000
Current income tax		
– Current financial year	-	32
– Under/(Over)-provision in prior financial years	(4)	3
– Acquisition of subsidiaries	(9)	-
	<u>(13)</u>	<u>35</u>
Deferred income tax		
– Origination and reversal of temporary differences	-	(3)
	<u>-</u>	<u>(3)</u>
Total tax (credit)/expense	<u>(13)</u>	<u>32</u>

9. Dividends

	<u>Group and Company</u>	
	<u>HY2022</u> S\$'000	<u>HY2021</u> S\$'000
Dividends paid on ordinary shares:		
Final tax-exempt (one-tier) dividend for 2020: S\$0.0079 per share	-	1,984

Advancer Global Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2022

10. Net Asset Value

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun 2022</u>	<u>31 Dec 2021</u>	<u>30 Jun 2022</u>	<u>31 Dec 2021</u>
Net asset value (S\$'000)	<u>40,772</u>	<u>40,867</u>	<u>40,610</u>	<u>40,530</u>
Number of ordinary shares issued (excluding treasury shares)	<u>251,185,691</u>	<u>251,185,691</u>	<u>251,185,691</u>	<u>251,185,691</u>
Net asset value per share (cents)	<u>16.23</u>	<u>16.27</u>	<u>16.17</u>	<u>16.14</u>

11. Earnings/(loss) per share

	<u>Group</u>	
	<u>30 June 2022</u>	<u>30 June 2021</u>
Profit/(loss) for the financial period attributable to owners of the Company (S\$'000)	247	(905)
Weighted average number of ordinary shares outstanding for basic and diluted loss per share ('000)	<u>251,186</u>	<u>251,190</u>
Basic and diluted earnings/(loss) per share (cents)	<u>0.10</u>	<u>(0.36)</u>

The basic and diluted earnings/(loss) per share is the same as there were no potentially dilutive instruments as at 30 June 2022 and 30 June 2021.

On 20 April 2017, 1,156,500 share options were granted pursuant to the Advancer Global Employee Share Option Scheme. As at 30 June 2022, all share options have lapsed and were not exercised.

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

The weighted average number of ordinary shares for financial period ended 30 June 2021 was computed after taking into account the purchase of 10,000 and 69,000 treasury shares by the Company on 5 January 2021 and 12 January 2021 respectively. The Company did not purchase treasury shares during HY2022.

12. Goodwill on consolidation

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

During HY2022, goodwill with carrying amount of S\$994,372 was acquired through the purchase of SREM and SREP in the Building Management Services Business Segment. On 15 February 2022, the Group announced the acquisition of 100% of the total issued and paid-up share capital of SREM and SREP through a 82% indirectly owned subsidiary of the Company SRE for a total cash consideration of S\$1,030,000 of which was paid on 15 February 2022 (the "Acquisition"). The Acquisition was completed on 15 February 2022.

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 June 2022

12. Goodwill on consolidation (Continued)

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

	Group	
	30 Jun	31 Dec
	2022	2021
	S\$'000	S\$'000
Cost:		
At 1 January	4,425	5,440
Arising on acquisition of a subsidiary	994	604
Impairment loss	-	(1,619)
At end of financial period/year	<u>5,419</u>	<u>4,425</u>

Impairment testing of goodwill

Goodwill that have an indefinite useful life are not subject to amortisation and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The assessment for the impairment of goodwill for the financial year ending 31 December 2022 will rely on significant management judgement at appropriately identifying the cash-generating unit and to determine certain key assumptions including, *inter alia*, operating margins, terminal growth rates, discount rates and the underlying the cash flow projections. The actual future performance, outcome and results of the Group may differ materially from the projection as result of, *inter alia*, known and unknown risks, uncertainties, bases and assumptions including uncertainty arising from the pandemic and/or matters beyond the Group's control. As the COVID-19 situation is still evolving and the impact cannot be reliably estimated with certainty at this point of time, no goodwill impairment was provided for HY2022 and impairment of goodwill will be reviewed again at the end of financial year 2022.

13. Intangible assets

Group	Customer contracts and contractual customer relationships⁽¹⁾	Non-contractual customer relationships⁽²⁾	Operation system, operational web portal and mobile application⁽³⁾	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Cost				
At 1 January 2022 and 30 June 2022	<u>2,571</u>	<u>362</u>	<u>592</u>	<u>3,525</u>
Accumulated amortisation				
At 1 January 2022	2,571	212	203	2,986
Amortisation for the financial period	-	25	56	81
At 30 June 2022	<u>2,571</u>	<u>237</u>	<u>259</u>	<u>3,067</u>
Carrying amount at 30 June 2022	<u>-</u>	<u>125</u>	<u>333</u>	<u>458</u>

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

13. Intangible assets (Continued)

- (2) Cost of non-contractual customer relationships is attributable to long-term relationship with its customers.
- (3) Cost is attributable to the development of (i) operational web portal for Group's Employment Services Business, (ii) mobile application for cleaning services, (iii) a dashboard for property management services, and (iv) operation system for pest control services.

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

14. Investments in subsidiaries

	<u>Company</u>	
	<u>30 Jun</u>	<u>31 Dec</u>
	<u>2022</u>	<u>2021</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Investments in subsidiaries, at cost	11,487	11,371
Deemed investment arising from employees share options provided to employees of subsidiaries	-	116
	<u>11,487</u>	<u>11,487</u>

Increased share capital of KH Security Pte. Ltd. ("KH")

On 4 February 2022, KH, an indirect wholly-owned subsidiary of the Company held through Advancer Global Security Pte. Ltd. ("**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%.

Acquisition of SREM and SREP

On 15 February 2022, SRE, 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 SREM and SREP from third parties (who is independent and unrelated to the Company, its directors and controlling shareholders or their respective associates) at the total consideration amounting to S\$1,030,000.

14. Investments in subsidiaries (Continued)

Acquisition of SREM and SREP (Continued)

The provisional identifiable assets and liabilities of SREM and SREP as at the acquisition date were:

	SREM S\$'000	SREP S\$'000	Total S\$'000
Plant and equipment	3	-	3
Trade and other receivables	23	*	23
Cash and cash equivalents	38	38	76
Trade and other payables	(53)	(4)	(57)
Income tax payable	(9)	-	(9)
Total identifiable net assets at book value	2	34	36
Goodwill arising from acquisition			994
Total Initial Consideration			1,030
<u>Effect of the acquisition of SREM and SREP on cash flows</u>			
Total Initial Consideration for 100% of equity interest acquired			(1,030)
Add: Cash and cash equivalents acquired			76
Net cash outflow on acquisition			954

Transaction costs

No transaction costs related to the acquisition was recognised in the Group's profit or loss for the financial period ended 30 June 2022.

Provisional goodwill arising from acquisition

Provisional goodwill of S\$994,000 arising from the acquisition was attributable to the expected synergies from combining the operations of New Subsidiaries with SRE and increasing the Group's pool of corporate customers provision to the Building Management Services Business. None of the goodwill was expected to be deductible for tax purposes.

As of the date of this report, the initial accounting for the business combination remains incomplete as the management has not yet appointed valuer to perform the purchase price allocations, the Group has reported in the financial statements provisional amounts for these identifiable assets and liabilities, which is based on book value as of acquisition date. From this preliminary purchase price allocation exercise, the Group has reported S\$994,000 of goodwill generated from the business combination of SREM and SREP during the financial period ended 30 June 2022.

Consideration

The total consideration of S\$1,030,000 for 100% of equity interest acquired was paid on 15 February 2022. The acquisition completed on 15 February 2022.

Impact of the acquisition on profit or loss

From the date of acquisition, SREM had contributed S\$554,946 and S\$102,395 to the revenue and the profit after tax of the Group respectively during the financial period ended 30 June 2022. SREP had contributed S\$96,192 and S\$85,775 to the revenue and the profit after tax of the Group respectively during the financial period ended 30 June 2022.

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 June 2022

14. Investments in subsidiaries (Continued)

Strike off Green Management Pte. Ltd.

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.

Strike off APAC Cities Employment Pte. Ltd.

On 8 April 2022, APAC Cities Employment Pte Ltd, an indirect wholly-owned subsidiary of the Company held through Advancer Global Manpower Pte. Ltd. (“AGM”) has been struck off from the Register of Companies pursuant to Section 344A of the Companies Act 1967 of Singapore.

Strike off Enreach Employment Pte. Ltd.

On 8 April 2022, Enreach Employment Pte Ltd, an indirect wholly-owned subsidiary of the Company held through AGM has been struck off from the Register of Companies pursuant to Section 344A of the Companies Act 1967 of Singapore.

Strike off PPMC Pte. Ltd.

On 8 April 2022, PPMC Pte Ltd, an indirect wholly-owned subsidiary of the Company held through a 76% owned subsidiary, NGPC has been struck off from the Register of Companies pursuant to Section 344A of the Companies Act 1967 of Singapore.

Acquisition of 16% issued and paid-up share capital of NGPC and NAPL (“Acquisition”)

On 9 May 2022, Advancer Global Facility Pte. Ltd., a wholly-owned subsidiary of the Company, acquired 16% of the issued and paid-up share capital of Newman & Goh Property Consultants Pte Ltd and Newman & Associates Pte. Ltd. for a total cash consideration of S\$640,000 (“Consideration”) from Mr. Tham Mun Kong (“Mr. Tham”) and Mr. Cheng Wee Hong (Zhong WeiHong) (“Mr Cheng”) in the following proportions:

Name	NGPC			Consideration (S\$)	NAPL			Consideration (S\$)
	Shareholding percentage before the Acquisition (%)	Number of Shares (“Sale Shares”)	Paid-up Capital (S\$)		Shareholding percentage before the Acquisition (%)	Number of Shares (“Sale Shares”)	Paid-up Capital (S\$)	
Mr Tham	8.0	40,000	40,000	319,999	8.0	8	8	1
Mr Cheng	8.0	40,000	40,000	319,999	8.0	8	8	1

Following the completion of the Acquisition Newman & Goh Property Consultants Pte Ltd and Newman & Associates Pte. Ltd. are 92%-owned by the Company through Advancer Global Facility Pte. Ltd.. Mr. Tham and Mr. Cheng, who are directors of both NGPC and NAPL, and are unrelated to the Company’s directors and controlling shareholders or their respective associates. Following the completion of the Acquisition, both Mr. Tham and Mr. Cheng will cease to have any shareholdings in both NGPC and NAPL.

15. Investments in associates

	<u>Group</u>	
	<u>30 June 2022</u>	<u>31 Dec 2021</u>
	S\$’000	S\$’000
Investments in associates, at cost	396	516
Additions	-	180
Share of associates’ results	(25)	(300)
Carrying amount	<u>371</u>	<u>396</u>

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15. Investments in associates (Continued)

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\$Nil (31 December 2021: S\$183,000) of which none was the share of current year's losses. The Group has no obligation in respect of these losses.

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.

16. Other investments

	Note	Group		Company	
		30 Jun 2022 S\$'000	31 Dec 2021 S\$'000	30 Jun 2022 S\$'000	31 Dec 2021 S\$'000
Non-current investments					
Financial assets held at FVTPL					
Unquoted equity instruments – at FVTPL		125	125	-	-
Current investments					
Financial assets held at FVTPL					
Quoted equity instruments – at FVTPL		3,068	2,506	3,068	2,506
Total financial assets held at FVTPL		3,193	2,631	3,068	2,506
Movement for unquoted equity instruments					
At beginning of the year		125	624	-	-
Disposal		-	(13)	-	-
Fair value loss recognised in profit or loss		-	(486)	-	-
	(a)	125	125	-	-
Movement for quoted equity instruments					
At beginning of the year		2,506	1,007	2,506	1,007
Additions		429	2,342	429	2,342
Disposal		-	(480)	-	(480)
Fair value gain/(loss) recognised in profit or loss	(b)	133	(363)	133	(363)
		3,068	2,506	3,068	2,506

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16. Other investments (Continued)

Unquoted equity instruments

- (a) It related to the investments in Zhe Jiang Zhi Wu Hui Yun Technology Co. Ltd., a company incorporated in People's Republic of China, held through Advancer Smart Technology Pte. Ltd., with shareholding at 15%. As at 30 June 2022 and 31 December 2021, the fair value of the equity instrument was determined based on net assets of the investee. The carrying amounts of most assets and liabilities of the investee approximate their respective fair value due to relative short-term maturity of these assets and liabilities.

The investment amount is denominated in Chinese Renminbi.

Quoted equity instruments

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

17. Property, plant and equipment

During HY2022, the Group acquired assets amounting to \$310,000 (HY2021: \$375,000) and disposed of assets with carrying amount of S\$43,000 (HY2021: S\$36,000).

18. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets at FVTPL				
Unquoted equity instruments	125	125	-	-
Quoted equity instruments	3,068	2,506	3,068	2,506
Total	3,193	2,631	3,068	2,506
Financial assets at amortised cost				
Trade and other receivables	14,622	14,679	13,102	11,008
Less: Advances to recruiters and suppliers	(437)	(428)	-	-
Less: Deferred cost	(163)	(119)	-	-
Less: Prepayments	(448)	(375)	(18)	(6)
	13,574	13,757	13,084	11,002
Cash and cash equivalents	21,644	24,797	13,075	15,620
Total	35,218	38,554	26,159	26,622
Financial liabilities				
Trade and other payables	5,659	6,654	119	85
Less: Deferred income	(293)	(362)	-	-
	5,366	6,292	119	85
Lease liabilities	2,154	2,040	-	-
Bank borrowing	546	562	-	-
Total	8,066	8,894	119	85

Notes to the condensed interim consolidated financial statements
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18. Financial assets and financial liabilities (Continued)

Other receivables include loan receivable from an associate G3 of S\$2.5 million which is non-interest bearing, unsecured, and repayable on demand. No allowance for impairment has been recognised as at 30 June 2022 (31 December 2021: S\$Nil). The Group considered the ability of G3 to settle the loan on a repayable on demand basis, with reference to the viability of the financial support provided by its immediate holding company and where G3 has obtained confirmations from other shareholders not to demand for repayment of their respective proportionate shareholders' loans for a period of 12 months from 28 February 2022. The Group also considered the profit or loss forecast of G3 Group during the expected recovery period with reference to relevant and reliable forward-looking outlook and information, including their best estimate of the impact of COVID-19, specific to the associate and the economic environment which could affect the ability of the associate to settle the loan receivables.

19. Share capital

	Group and Company	
	No. of shares	S\$'000
<u>Issued and fully paid, with no par value</u>		
At 31 December 2021 and 30 June 2022	252,363,591	40,607
	Group and Company	
	30 Jun 2022	31 Dec 2021
	No. of shares	No. of shares
Total number of issued shares, including treasury shares	252,363,591	252,363,591
Treasury shares	(1,177,900)	(1,177,900)
Total number of issued shares, excluding treasury shares	<u>251,185,691</u>	<u>251,185,691</u>

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022, 31 December 2021 and 30 June 2021.

20. Treasury shares

	Group and Company			
	30 Jun 2022		31 Dec 2021	
	No. of shares	S\$'000	No. of shares	S\$'000
<u>Issued and fully paid, with no par value</u>				
At 1 January	1,177,900	241	1,098,900	232
Repurchased during the period/year	-	-	79,000	9
At 30 June/31 December	<u>1,177,900</u>	<u>241</u>	<u>1,177,900</u>	<u>241</u>

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

**Notes to the condensed interim consolidated financial statements
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20. Treasury shares (Continued)

As at 30 June 2022, the number of treasury shares held by the Company, amounting to 1,177,900 represented 0.47% (31 December 2021: 1,177,900 represented 0.47%) of the total number of issued ordinary shares (excluding treasury shares).

No treasury shares were sold, transferred, disposed, cancelled and/or used during HY2022 (HY2021: Nil).

The Shareholders of the Company had, at the annual general meeting of the Company, held on 29 April 2022, approved the renewal of the Share Buy-Back Mandate.

21. Share-based payment

On 20 April 2017, 1,156,500 share options (“**Share Options**”) were granted pursuant to the Advancer Global Employee Share Option Scheme. As at 31 December 2021, the only outstanding convertibles of the Company are the 859,000 share options which are convertible into 859,000 ordinary shares against 251,185,691 issued shares (excluding treasury shares). As at 30 June 2022, all share options lapsed and were not exercised.

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

<u>Date of grant</u>	<u>Balance as at 1 January 2022</u>	<u>Lapsed</u>	<u>Balance as at 30 June 2022</u>	<u>Exercise price per share (S\$)</u>	<u>Exercisable period</u>
20 April 2017	859,000	(859,000)	-	0.40	Ended at 19 April 2022

22. Borrowings

	<u>30 Jun 2022</u>		<u>31 Dec 2021</u>	
	<u>Secured S\$'000</u>	<u>Unsecured S\$'000</u>	<u>Secured S\$'000</u>	<u>Unsecured S\$'000</u>
Amount repayable within one year or less, or on demand	100	-	169	-
Amount repayable after one year	549	-	612	-
Total borrowings	<u>649</u>	<u>-</u>	<u>781</u>	<u>-</u>

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

- (2) The lease liabilities at 30 June 2022 and 31 December 2021 can be reconciled as follows:

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22. Borrowings (Continued)

	<u>Group</u>	
	<u>31 June 2022</u>	<u>31 Dec 2021</u>
	S\$'000	S\$'000
<u>Lease liabilities-non-current</u>		
Lease liabilities arising from operating lease	829	616
Lease liabilities arising from finance lease	35	82
	<u>864</u>	<u>698</u>
<u>Lease liabilities-current</u>		
Lease liabilities arising from operating lease	1,219	1,205
Lease liabilities arising from finance lease	68	137
	<u>1,287</u>	<u>1,342</u>

23. Fair value of assets and liabilities

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

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

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

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

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

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

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

	<u>Group</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	\$'000	\$'000	\$'000
Financial assets:			
Financial assets at FVTPL			
- Unquoted equity instruments	-	-	125
- Quoted equity instruments	3,068	-	-
At 31 June 2022	<u>3,068</u>	<u>-</u>	<u>125</u>
Financial assets:			
Financial assets at FVTPL			
- Unquoted equity instruments	-	-	125
- Quoted equity instruments	2,506	-	-
At 31 December 2021	<u>2,506</u>	<u>-</u>	<u>125</u>

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

Other information required by Appendix 7C of the Catalist Rules

**Other information required by Appendix 7C of the Catalist Rules
For the six-month financial period ended 30 June 2022**

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

The condensed interim statements of financial position of Advancer Global Limited and its subsidiaries (the “Group”) as at 30 June 2022 and the related condensed interim consolidated statement of profit or loss and other comprehensive income for the six months and financial period ended 30 June 2022, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the financial period ended 30 June 2022 and certain explanatory notes have not been audited or reviewed.

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Please refer to Explanatory Notes to the unaudited condensed interim financial statements for the financial period ended 30 June 2022.

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

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

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

Since the re-opening of borders and quarantine are no longer pre-requisites for arriving tourists in Singapore, some business sectors have gradually rebounded. Our Employment Service Business sector, for example, has been bringing in more Migrant Domestic Workers to meet the demand from Singapore households.

However, the economic slowdown and increase in cost are expected to put pressure on revenue growth over the remaining months. Advancer will continue to remain agile and mitigate the competition by differentiating our service offerings and playing on our strengths as a home-grown Integrated Facility Management (IFM) provider with in-depth domain knowledge accumulated through the years. Investment in technological solutions which also include upgrading our Enterprise Resource Planning technology for efficient and seamless process and customer experience is increasingly significant to re-position and put our subsidiaries on a stronger foothold

5. Dividend

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

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

(b) Corresponding period of the immediately preceding financial year

No dividend has been declared or recommended for the financial year ended 31 December 2021.

**Other information required by Appendix 7C of the Catalist Rules
For the six-month financial period ended 30 June 2022**

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

Not applicable.

- (d) **The date the dividend is payable**

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 30 June 2022 to conserve cash in view of the current economic uncertainties.

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

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

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

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

- 9. Updates on use of Net Subscription Proceeds**

The Board refers to the Company's announcements dated 16 April 2021 and 9 May 2022 in relation to the re-allocation and updated status of use of net subscription proceeds (the "**Net Subscription Proceeds**") arising from the Company's issue and allotment of 65,000,000 subscription shares on 31 August 2018. The status of utilisation of the Net Subscription Proceeds as at the date of this announcement is set out as follows:

Advancer Global Limited and its Subsidiaries

Other information required by Appendix 7C of the Catalist Rules For the six-month financial period ended 30 June 2022

	<u>Amount allocated</u> S\$ million	<u>Amount utilised</u> S\$ million	<u>Balance</u> S\$ million
Expansion of business operations	12.30	(3.39)	8.91
General corporate and working capital purposes of the Group, mainly to support administrative and operational expenses (Note (a))	5.44	(4.58)	0.86
Investment in money market instruments and/or quoted securities	4.00	(2.08)	1.92
	<u>21.74</u>	<u>(10.05)</u>	<u>11.69</u>

Note:

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

	<u>S\$'000</u>
Professional and listing related expenses	1,002
Administrative expenses – staff costs	516
Administrative expenses - others	92
Purchase of inventory for a subsidiary	170
Repayment of loan incurred by a subsidiary	300
Advances to subsidiaries for operational expenses	2,500
	<u>4,580</u>

10. Disclosure pursuant to Rule 706A of the Catalist Rules

Please refer to the Company's (i) announcement dated 4 February 2022 in relation to the increase in issued and paid-up share capital of KH; (ii) announcement dated 7 February 2022 in relation to the strike off of Green Management Pte. Ltd.; (iii) announcement dated 15 February 2022 in relation to the acquisition of shares in SREM and SREP; (iv) announcement dated 8 April 2022 in relation to the strike off of PPMC, APAC Cities Employment Pte. Ltd., and Enreach Employment Pte. Ltd.; and (v) announcement dated 9 May 2022 in relation to acquisition of 16% issued and paid-up capital of NGPC and NAPL.

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six-month financial period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Teck Chai, Danny
Independent Non-Executive Chairman
12 August 2022

Chin Mei Yang
Chief Executive Officer and Executive Director
12 August 2022