

**Condensed Unaudited Financial Statements  
For the Second Half Year (“2H2022”) and Full Year (“FY2022”)  
Ended 31 December 2022**

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This announcement has been reviewed by the Company’s Sponsor, SAC Capital Private Limited (the “**Sponsor**”). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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**Advancer Global Limited and its Subsidiaries**

**Condensed interim consolidated statement of profit or loss and other comprehensive income  
For the Second Half Year (“2H2022”) and Full Year (“FY2022”) ended 31 December 2022**

	Note	Group			Group		
		2H2022 S\$'000	2H2021 S\$'000	Changes (%)	FY2022 S\$'000	FY2021 S\$'000	Changes (%)
Revenue	5	31,591	30,195	4.6	63,103	60,132	4.9
Cost of Sales		(25,158)	(23,189)	8.5	(49,821)	(46,701)	6.7
<b>Gross profit</b>		6,433	7,006	(8.2)	13,282	13,431	(1.1)
Other operating income		582	1,513	(61.5)	2,790	3,539	(21.2)
Administrative expenses		(11,862)	(11,566)	2.6	(20,657)	(20,800)	(0.7)
Finance expenses		(50)	(54)	(7.4)	(98)	(116)	(15.5)
Share of profit/(losses) from equity-accounted for associates		41	(50)	N/M	15	(180)	N/M
<b>(Loss) before income tax</b>	6	(4,856)	(3,151)	54.1	(4,668)	(4,126)	13.1
Income tax (expense)/credit	8	(18)	46	N/M	(5)	14	N/M
<b>(Loss) for the financial year/period, representing total comprehensive income for the financial year/period</b>		(4,874)	(3,105)	57.0	(4,673)	(4,112)	13.6
<b>(Loss) for the financial year/period attributable to:</b>							
Owners of the Company		(4,668)	(3,140)	48.7	(4,421)	(4,045)	9.3
Non-controlling interests		(206)	35	N/M	(252)	(67)	>100
<b>(Loss) for the financial year/period</b>		(4,874)	(3,105)	57.0	(4,673)	(4,112)	13.6
<b>Earnings per share attributable to owners of the Company</b>							
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)		251,186	251,190		251,186	251,188	
Basic and diluted earnings per share (cents)	11	(1.86)	(1.25)	48.7	(1.76)	(1.61)	9.3

Note:

(1) N/M – Not meaningful

## Advancer Global Limited and its Subsidiaries

### Condensed interim consolidated statement of profit or loss and other comprehensive income For the Second Half Year (“2H2022”) and Full Year (“FY2022”) ended 31 December 2022

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#### 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\$3.1 million from S\$6.6 million recognised in the financial year ended 31 December 2021 (“FY2021”) to S\$9.7 million recognised in the financial year ended 31 December 2022 (“FY2022”). There was an increase in the number of Migrant Domestic Workers (“MDWs”) that the Group had placed out to households in Singapore in FY2022 as compared to FY2021 due to the gradual re-opening of borders in Singapore and source countries since April 2022. The Employment Services division had in FY2022 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\$2.5 million from S\$35.3 million recognised in FY2021 to S\$37.8 million recognised in FY2022 mainly due to service income received from disinfection and fumigation projects and revenue contribution from the acquisition of 100% of the total issued and paid up capital of SRE Management Pte. Ltd. (“SREM”, formerly known as Propmag Management Services Pte. Ltd.) in February 2022, and 100% of the total issued and paid up capital of SRE Property & Facility Pte. Ltd. (“SREP”, previously 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 gardening and landscaping services and general pest controls due to weaker market demand.

##### Security Services

Revenue from the Security Services Business decreased by S\$2.7 million from S\$18.3 million recognised in FY2021 to S\$15.6 million recognised in FY2022, mainly due to decrease in service income from community care centers and sale and installation of security equipment.

2. Increase in cost of sales by S\$3.1 million from S\$46.7 million in FY2021 to S\$49.8 million in FY2022 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\$1.9 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\$3.2 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.

##### Security Services

The above-mentioned increase was offset by a decrease of costs of sales in Security Services Business by approximately S\$1.9 million which was in line with the decrease in revenue.

3. Decrease in other operating income by S\$0.7 million from S\$3.5 million in FY2021 to S\$2.8 million in FY2022 was mainly due to decrease in the amount from government grant and credit scheme and other relief subsidies in relation to COVID-19 as a result of revisions made to the schemes, and no gain on bargain purchase arising from acquisition in FY2022. The decrease was partially offset by the increase in interest income from fixed deposits and dividend income received from quoted equity investments.

**Advancer Global Limited and its Subsidiaries**

**Condensed interim consolidated statement of profit or loss and other comprehensive income  
For the Second Half Year (“2H2022”) and Full Year (“FY2022”) ended 31 December 2022**

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

4. Administrative expenses remained relatively consistent for FY2022 at S\$20.7 million as compared to S\$20.8 million for FY2021.
5. Finance expenses decreased by S\$18,000 mainly due to the decrease in interest expenses on lease liabilities.
6. The Group recorded share of loss of S\$175,000 from the investment in Fullcast International Co., Ltd. (“**Fullcast**”) and Eazable Pte. Ltd (“**Eazable**”) for FY2022, which was offset by the share of profit of S\$190,000 from the investment in G3 Environmental Private Limited (“**G3**”).

Advancer Global Limited and its Subsidiaries

Condensed interim statements of financial position  
As at 31 December 2022

	Note	Group		Company	
		As at		As at	
		31-Dec- 2022	31-Dec- 2021	31-Dec- 2022	31-Dec- 2021
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill on consolidation	12	2,845	4,425	-	-
Intangible assets	13	412	539	-	-
Investments in subsidiaries	14	-	-	11,487	11,487
Investments in associates	15	411	396	-	-
Other investments	16	-	125	-	-
Property, plant and equipment	17	1,854	2,007	-	-
Right-of-use assets		2,558	1,860	-	-
Deferred tax assets		-	28	-	-
<b>Total non-current assets</b>		<b>8,080</b>	<b>9,380</b>	<b>11,487</b>	<b>11,487</b>
<b>Current assets</b>					
Inventories		873	697	-	-
Other investments	16	2,905	2,506	2,905	2,506
Trade and other receivables		14,460	14,679	11,989	11,008
Cash and bank balances		20,797	24,797	13,625	15,620
<b>Total current assets</b>		<b>39,035</b>	<b>42,679</b>	<b>28,519</b>	<b>29,134</b>
<b>Total assets</b>		<b>47,115</b>	<b>52,059</b>	<b>40,006</b>	<b>40,621</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	19	40,607	40,607	40,607	40,607
Treasury shares	20	(241)	(241)	(241)	(241)
Retained (losses)/earnings		(963)	3,352	(452)	58
Other reserves		(3,243)	(2,851)	-	106
<b>Equity attributable to owners of the Company</b>		<b>36,160</b>	<b>40,867</b>	<b>39,914</b>	<b>40,530</b>
<b>Non-controlling interests</b>		<b>(16)</b>	<b>686</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>36,144</b>	<b>41,553</b>	<b>39,914</b>	<b>40,530</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		83	85	-	-
Lease liabilities		1,167	698	-	-
Bank borrowing	22	498	530	-	-
<b>Total non-current liabilities</b>		<b>1,748</b>	<b>1,313</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Lease liabilities		1,463	1,342	-	-
Trade and other payables		6,899	6,654	92	85
Contract liabilities from contracts with customers		829	1,146	-	-
Bank borrowing	22	32	32	-	-
Income tax payable		-	19	-	6
<b>Total current liabilities</b>		<b>9,223</b>	<b>9,193</b>	<b>92</b>	<b>91</b>
<b>Total liabilities</b>		<b>10,971</b>	<b>10,506</b>	<b>92</b>	<b>91</b>
<b>Total equity and liabilities</b>		<b>47,115</b>	<b>52,059</b>	<b>40,006</b>	<b>40,621</b>

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\$3.7 million or 8.5% from S\$42.7 million as at 31 December 2021 to S\$39.0 million as at 31 December 2022, mainly due to the decrease of (a) trade and other receivables by S\$0.2 million, and (b) cash and cash equivalents by S\$4.0 million (more details of the cash movement is explained in the review of the Group's Statement of Cash Flows). This was offset by the increase of investment in quoted shares of S\$0.4 million and inventories of S\$0.2 million during the financial year.

**2. Non-current assets**

The Group's non-current assets decreased by S\$1.3 million or 13.9% from S\$9.4 million as at 31 December 2021 to S\$8.1 million as at 31 December 2022, mainly due to the (a) decrease in intangible assets due to amortisation during the financial year, (b) decrease in other investments due to fair value loss recognised in FY2022 in relation to 15% equity investment in Zhe Jiang Zhi Wu Hui Yun Technology Co. Ltd. ("**ZWHY**"), (c) decrease in property, plant and equipment due to depreciation for the financial year, and (d) impairment loss of goodwill for its subsidiaries Premier Eco-care Pte. Ltd. ("**Premier**") and Prestige International Management Pte. Ltd. ("**Prestige**", previously known as Prestige Enviro-care Pte. Ltd.) (collectively "**Premier Group**"). The decrease is partially offset by the increase in right-of-use assets due to new leases of office premises, office equipment, motor vehicles and other operating facilities such as hostels.

The increase in investment in associates was mainly due to the share of profits recognised from G3.

**3. Current liabilities**

The Group's current liabilities increased by S\$30,000 or 0.3% as at 31 December 2022 as compared to 31 December 2021, mainly due to increase in (a) salary payables to directors and staff, (b) trade payables of subcontractors' fee for cleaning business, (c) accrued operating expenses and, (d) GST payables.

The increase was offset by the decrease in (a) contract liabilities from contracts with customers, (b) credit notes issued to customers for the Employment Services Business, (c) deferred income for government grants and, (d) dividends payable to non-controlling interests.

**4. Non-current liabilities**

The Group's non-current liabilities increased by S\$0.4 million or 33.1% from S\$1.3 million as at 31 December 2021 to S\$1.7 million as at 31 December 2022, mainly due to the increase of (a) lease liabilities as a result of new leases entered into during FY2022 which was offset by decreases in deferred tax liabilities and bank borrowing.

Advancer Global Limited and its Subsidiaries

Condensed interim statements of changes in equity  
For the financial year ended 31 December 2022

Group

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained (losses)/ earnings	Share options reserve	Capital reserve	Merger reserve	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
<b>Balance at 1 January 2022</b>	40,607	(241)	3,352	106	(354)	(2,603)	40,867	686	41,553
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(4,421)	-	-	-	(4,421)	(252)	(4,673)
Share options expired	-	-	106	(106)	-	-	-	-	-
Strike off of a subsidiary with non-controlling interest	-	-	-	-	-	-	-	(23)	(23)
Acquisition of interest in a subsidiary without change of control	-	-	-	-	(286)	-	(286)	(354)	(640)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	(73)	(73)
<b>Balance at 31 December 2022</b>	<b>40,607</b>	<b>(241)</b>	<b>(963)</b>	<b>-</b>	<b>(640)</b>	<b>(2,603)</b>	<b>36,160</b>	<b>(16)</b>	<b>36,144</b>
<b>Balance at 1 January 2021</b>	40,607	(232)	9,375	112	(339)	(2,603)	46,920	798	47,718
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(4,045)	-	-	-	(4,045)	(67)	(4,112)
Purchase of treasury shares	20	(9)	-	-	-	-	(9)	-	(9)
Share options expenses pursuant to the ESOS	6	-	-	*	-	-	*	-	*
Share options forfeited	-	-	6	(6)	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	276	276
Disposal of non-controlling interest in a subsidiary	-	-	-	-	30	-	30	-	30
Acquisition of remaining non-controlling interest in a subsidiary	-	-	-	-	(45)	-	(45)	(15)	(60)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	(306)	(306)
Dividends declared	9	-	(1,984)	-	-	-	(1,984)	-	(1,984)
<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.

**Advancer Global Limited and its Subsidiaries**

**Condensed interim statements of changes in equity  
For the financial year ended 31 December 2022**

<u>Company</u>	<u>Note</u>	<u>Share capital</u> <u>S\$'000</u>	<u>Treasury shares</u> <u>S\$'000</u>	<u>Retained earnings</u> <u>S\$'000</u>	<u>Share options reserve</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
<b>Balance at 1 January 2022</b>		40,607	(241)	58	106	40,530
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(616)	-	(616)
Share options forfeited		-	-	106	(106)	-
<b>Balance at 31 December 2022</b>		<b>40,607</b>	<b>(241)</b>	<b>(452)</b>	<b>-</b>	<b>39,914</b>
<b>Balance at 1 January 2021</b>		40,607	(232)	2,001	112	42,488
Profit for the financial year, representing total comprehensive profit for the financial year		-	-	35	-	35
Purchase of treasury shares	20	-	(9)	-	-	(9)
Share options expenses pursuant to the ESOS	6	-	-	-	*	*
Share options forfeited		-	-	6	(6)	-
Dividends declared	9	-	-	(1,984)	-	(1,984)
<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.



**Advancer Global Limited and its Subsidiaries**

**Condensed consolidated interim statement of cash flows  
For the financial year ended 31 December 2022**

	<b>Group</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
(Loss) before income tax	(4,668)	(4,126)
Adjustments for:		
Amortisation of intangible assets	185	281
Impairment loss of goodwill	2,525	1,619
Bad debts written-off	4	2
Depreciation of property, plant and equipment	577	587
Depreciation of right-of-use assets	1,618	1,680
Dividend income	(153)	(53)
Exchange gain	-	(1)
Fair value loss arising from quoted financial assets at fair value through profit or loss ("FVTPL")	30	363
Fair value loss arising from unquoted financial assets at FVTPL	125	486
(Gain)/Loss on disposal of property, plant and equipment, net	(3)	6
Gain on bargain purchase arising from acquisition	-	(245)
Gain on strike-off of a subsidiary	(23)	-
(Gain)/Loss on lease modification	(6)	5
Interest expense	98	116
Interest income	(197)	(83)
(Reversal of loss allowance)/Loss allowance for receivables (trade), net	(20)	85
Property, plant and equipment written-off	1	65
Reversal of provision for warranties	(1)	*
Share options expenses pursuant to the ESOS	-	*
Share of (profit)/losses from equity-accounted for associates	(15)	180
Write off of lease termination	11	-
Operating cash flows before movements in working capital	<u>88</u>	<u>967</u>
Changes in working capital:		
Inventories	(176)	350
Trade and other receivables	261	3,547
Trade and other payables	188	(1,046)
Contract liabilities from contracts with customers	(317)	353
Cash generated from operations	<u>44</u>	<u>4,171</u>
Interest received	197	83
Income taxes paid	(18)	(118)
<b>Net cash generated from operating activities</b>	<u>223</u>	<u>4,136</u>
<b>Investing activities</b>		
Dividend received	153	53
Investment in an associate	-	(180)
Repayment from an associate	-	804
Investment in unquoted equity instruments at FVTPL	-	(607)
Net cash outflow on acquisition of subsidiaries	(954)	(700)
Disposal of non-controlling interest in a subsidiary	-	30
Acquisition of non-controlling interests in a subsidiary	(640)	(60)
Proceeds from disposal of property, plant and equipment	88	118
Proceed from disposal of investment in unquoted equity instruments at FVTPL	-	12
Purchase of property, plant and equipment	(507)	(385)
Purchase of quoted equity instruments held at FVTPL	(429)	(1,862)
<b>Net cash used in investing activities</b>	<u>(2,289)</u>	<u>(2,777)</u>

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

**Advancer Global Limited and its Subsidiaries**

**Condensed consolidated interim statement of cash flows  
For the financial year ended 31 December 2022**

	<b>Group</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Financing activities</b>		
Dividends paid to owners of the Company	-	(1,984)
Dividends paid to non-controlling interests of subsidiaries	(72)	-
Fixed deposit pledged	-	5
Interest paid	(17)	(29)
Non-controlling interests' investment in a subsidiary	-	180
Purchase of treasury shares	-	(9)
Repayment of bank borrowings	(32)	(30)
Repayment of lease liabilities	(1,813)	(1,853)
Repayment to directors	-	(454)
<b>Net cash used in financing activities</b>	<b>(1,934)</b>	<b>(4,174)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(4,000)</b>	<b>(2,815)</b>
Cash and cash equivalents at beginning of financial year	24,797	27,612
<b>Cash and cash equivalents at end of financial year</b>	<b>20,797</b>	<b>24,797</b>

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

**Explanatory Notes to the condensed consolidated statement of cash flows**

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

	<b>Group</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances	20,797	24,797
Cash and cash equivalents	20,797	24,797

2. Group's cash and cash equivalents decreased by S\$4.0 million from S\$24.8 million as at 31 December 2021 to S\$20.8 million as at 31 December 2022.

(1) The Group's net cash generated from operating activities amounted to S\$0.2 million for FY2022, which resulted from operating cash flows before movements in working capital of S\$0.1 million and decrease in trade and other receivables of S\$0.3 million and increase in trade and other payables of S\$0.2 million, offset by the decrease in contract liabilities from contract with customers of S\$0.3 million and the increase in inventories of S\$0.2 million.

(2) Net cash used in investing activities amounted to S\$2.3 million for FY2022, which was mainly due to (a) purchase of property, plant and equipment of S\$0.5 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\$1.0 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, offset by dividends received from quoted equity investments of \$0.2 million and proceeds from disposal of property, plant and equipment of S\$0.1 million.

(3) Net cash used in financing activities amounted to S\$1.9 million for FY2022, mainly due to (a) payment for lease liabilities of S\$1.8 million and (b) payment of dividends to non-controlling interests of subsidiaries of S\$0.1 million.

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

## Advancer Global Limited and its Subsidiaries

### Notes to the condensed interim consolidated financial statements For the financial year ended 31 December 2022

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#### 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 and stewarding 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 and CCTV monitoring

These condensed financial statements for the six months and financial year ended, and as at 31 December 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

#### 2. Basis of preparation

The condensed unaudited financial statements for 2H2022 and FY2022 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 unaudited financial statements are presented in Singapore dollar which is the Company’s functional currency.

The financial statements of the Group have been prepared on a going concern basis notwithstanding its net loss of S\$4.7 million in FY2022 (FY2021: net loss of S\$4.1 million). The Group had net current assets and net assets of S\$29.8 million and S\$36.2 million respectively as at 31 December 2022 compared to S\$33.5 million and S\$40.9 million respectively as at 31 December 2021. The Group generated cash from its operating activities in FY2022 and remains in a net cash position of S\$9.8 million as at 31 December 2022.

##### 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
- 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 year.

## **4 Segment and revenue information**

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

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

Notes to the condensed interim consolidated financial statements  
For the financial year ended 31 December 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>
<b>2H2022</b>					
External sales	5,006	19,377	7,208	-	31,591
- Service income	5,006	19,362	7,165	-	31,533
- Installation services	-	1	7	-	8
- Sales of goods	-	14	36	-	50
Cost of sales	2,752	16,409	5,997	-	25,158
Dividend income	-	-	-	98	98
Interest income	-	9	9	91	109
Interest expense	6	36	8	-	50
Amortisation	11	93	-	-	104
Depreciation	144	786	177	-	1,107
Loss allowance for receivables (trade), net	-	(63)	28	-	(35)
Reportable segment (loss) before income tax	(247)	(4,215)	(207)	(187)	(4,856)
Share of (loss)/profit from equity-accounted for associates	(52)	180	(87)	-	41
Reportable segment assets	2,659	19,379	8,447	16,630	47,115
Interest in associates	98	179	134	-	411
Reportable segment liabilities	2,564	6,103	2,212	92	10,971
Capital expenditures	45	132	20	-	197
<b>2H2021</b>					
External sales	2,994	18,000	9,201	-	30,195
- Service income	2,994	17,331	9,009	-	29,334
- Installation services	-	145	56	-	201
- Sales of goods	-	524	136	-	660
Cost of sales	1,648	14,303	7,238	-	23,189
Dividend income	-	-	-	27	27
Interest income	-	5	1	36	42
Interest expense	8	40	6	-	54
Amortisation	21	108	-	-	129
Depreciation	136	813	159	-	1,108
Loss allowance for receivables (trade), net	-	(16)	42	-	26
Reportable segment profit/(loss) before income tax	(250)	(3,192)	631	(340)	(3,151)
Share of (loss)/profit from equity-accounted for associates	(65)	-	15	-	(50)
Reportable segment assets	2,117	20,911	10,877	18,154	52,059
Interest in associates	187	-	209	-	396
Reportable segment liabilities	1,826	5,858	3,037	(215)	10,506
Capital expenditures	107	28	16	-	151

Notes to the condensed interim consolidated financial statements  
For the financial year ended 31 December 2022

4 Segment and revenue information (Continued)

<u>Group</u>	<u>Employment Services Business S\$'000</u>	<u>Building Management Services Business S\$'000</u>	<u>Security Services Business S\$'000</u>	<u>Unallocated S\$'000</u>	<u>Total S\$'000</u>
<b>FY2022</b>					
External sales	9,702	37,797	15,604	-	63,103
- Service income	9,702	37,727	15,297	-	62,726
- Installation services	-	6	15	-	21
- Sales of goods	-	64	292	-	356
Cost of sales	5,458	31,104	13,259	-	49,821
Dividend income	-	-	-	153	153
Interest income	-	16	11	170	197
Interest expense	8	72	18	-	98
Amortisation	21	164	-	-	185
Depreciation	281	1,564	350	-	2,195
Loss allowance for receivables (trade), net	-	(62)	42	-	(20)
Reportable segment profit/(loss) before income tax	<u>234</u>	<u>(4,503)</u>	<u>(292)</u>	<u>(107)</u>	<u>(4,668)</u>
Share of (loss)/profit from equity- accounted for associates	(89)	179	(75)	-	15
Reportable segment assets	2,659	19,379	8,447	16,630	47,115
Interest in associates	98	179	134	-	411
Reportable segment liabilities	2,564	6,103	2,212	92	10,971
Capital expenditures	<u>217</u>	<u>260</u>	<u>30</u>	<u>-</u>	<u>507</u>
<b>FY2021</b>					
External sales	6,561	35,259	18,312	-	60,132
- Service income	6,561	34,585	18,098	-	59,244
- Installation services	-	145	59	-	204
- Sales of goods	-	529	155	-	684
Cost of sales	3,600	27,914	15,187	-	46,701
Dividend income	-	-	-	53	53
Interest income	-	10	2	71	83
Interest expense	10	82	24	-	116
Amortisation	21	260	-	-	281
Depreciation	305	1,595	367	-	2,267
Loss allowance for receivables (trade), net	-	43	42	-	85
Reportable segment profit/(loss) before income tax	<u>(206)</u>	<u>(3,857)</u>	<u>495</u>	<u>(558)</u>	<u>(4,126)</u>
Share of (loss)/profit from equity- accounted for associates	(208)	-	28	-	(180)
Reportable segment assets	2,117	20,911	10,877	18,154	52,059
Interest in associates	187	-	209	-	396
Reportable segment liabilities	1,826	5,859	3,036	(215)	10,506
Capital expenditures	<u>141</u>	<u>177</u>	<u>171</u>	<u>-</u>	<u>489</u>

**Geographical information**

The Group operates in one principal geographical area being Singapore except for Employment Services business in Japan through 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 any particular customers.

Advancer Global Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements  
For the financial year ended 31 December 2022

5. Disaggregation of Revenue

	<u>2H2022</u> S\$'000	<u>2H2021</u> S\$'000	<u>Group</u> <u>FY2022</u> S\$'000	<u>FY2021</u> S\$'000
Service income (point in time)				
– Employment Services	4,990	2,984	9,686	6,551
– Building Management Services	3,301	3,355	6,750	6,753
– Security Services	1,801	(30)	3,004	21
	10,092	6,309	19,440	13,325
Service income (over time)				
– Employment Services	16	10	16	10
– Building Management Services	16,061	13,976	30,977	27,832
– Security Services	5,364	9,039	12,293	18,077
	21,441	23,025	43,286	45,919
Installation services (point in time)	8	201	21	204
Sales of goods (point in time)	50	660	356	684
	<u>31,591</u>	<u>30,195</u>	<u>63,103</u>	<u>60,132</u>

6. (Loss) before income tax

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

	<u>2H2022</u> S\$'000	<u>2H2021</u> S\$'000	<u>Group</u> <u>FY2022</u> S\$'000	<u>FY2021</u> S\$'000
<b>Included in other operating income:</b>				
Dividend income	98	27	153	53
Gain on bargain purchase arising from acquisition	-	152	-	245
Gain on striking off a subsidiary	-	-	23	-
Gain on disposal of property, plant and equipment, net	2	(2)	6	-
Gain on lease modification	6	-	6	-
Government credit schemes and government grants	468	1,190	2,327	2,929
Rental income	12	23	26	55
Interest income from advances to subcontractors	9	5	16	9
Interest income from fixed deposits	100	37	181	74
Foreign exchange gain, net	*	-	*	*

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

Notes to the condensed interim consolidated financial statements  
For the financial year ended 31 December 2022

6. (Loss) before income tax (Continued)

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

	<u>Group</u>			
	<u>2H2022</u>	<u>2H2021</u>	<u>FY2022</u>	<u>FY2021</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<b><i>Included in cost of sales:</i></b>				
Cost of inventories recognised as an expense	(154)	(553)	(380)	(996)
Allowance for inventory obsolescence	(64)	-	(64)	-
Depreciation of right-of-use assets	(202)	(182)	(378)	(337)
Insurance	(100)	(216)	(357)	(507)
Expenses relating to short-term leases	(56)	(98)	(157)	(351)
Expenses relating to low-value assets	(25)	-	(50)	-
Recruitment expenses	(1,872)	(887)	(3,586)	(2,152)
Staff costs (excluding key management personnel remuneration)	(17,213)	(16,969)	(34,334)	(32,868)
Subcontractors' fees	(4,229)	(3,361)	(8,018)	(7,760)
<b><i>Included in administrative expenses:</i></b>				
Advertising expenses	(81)	(101)	(216)	(238)
Amortisation of intangible assets	(104)	(129)	(185)	(281)
Bad debts written-off	(4)	(2)	(4)	(2)
Depreciation of property, plant and equipment	(294)	(282)	(577)	(587)
Depreciation of right-of-use assets	(611)	(644)	(1,240)	(1,343)
Directors' fees	(74)	(74)	(148)	(145)
Expenses relating to short-term leases	(86)	(86)	(153)	(153)
Expenses relating to low-value assets	*	(3)	(3)	(3)
Fair value loss arising from quoted financial assets at FVTPL	(163)	(299)	(30)	(363)
Fair value loss arising from unquoted financial assets at FVTPL	(125)	(486)	(125)	(486)
Impairment loss of goodwill	(2,525)	(1,619)	(2,525)	(1,619)
Insurance	(169)	(150)	(318)	(280)
Key management personnel remuneration	(2,381)	(2,065)	(4,339)	(4,267)
Reversal of loss allowance/(Loss allowance) for receivables (trade), net	35	(26)	20	(85)
Loss on lease modification	-	-	-	(5)
Loss on disposal of property, plant and equipment	(3)	(6)	(3)	(6)
Property, plant and equipment written-off	(1)	(9)	(1)	(65)
Retainer fees	(60)	(60)	(462)	(118)
Share option expenses	-	1	-	*
Staff costs (excluding key management personnel remuneration)	(3,856)	(3,947)	(7,551)	(7,890)
Write off of lease termination	11	-	11	-
<b><i>Included in finance expenses:</i></b>				
Interest expenses on borrowing	(4)	(5)	(9)	(12)
Interest expenses on leases	(46)	(49)	(89)	(104)



## Advancer Global Limited and its Subsidiaries

### Notes to the condensed interim consolidated financial statements For the financial year ended 31 December 2022

#### 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 year:

	<u>Group</u>		<u>Company</u>	
	<u>FY2022</u> S\$'000	<u>FY2021</u> S\$'000	<u>FY2022</u> S\$'000	<u>FY2021</u> S\$'000
<b>Subsidiaries</b>				
Dividend income	-	-	-	600
Advances to subsidiaries	-	-	2,671	-
<b>Related parties</b>				
Service income from related parties	10	12	-	-
Service income from associates	13	68	-	-
Purchases from non-controlling interests	279	46	-	-
Purchases from related parties	1	-	-	-
Purchases from associates	87	127	-	-
Loan repayment from an associate	-	804	-	-
Payment on behalf by related parties	135	380	-	-
Lease from related parties	77	77	-	-

#### 8. Income tax (expense)/credit

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

	<u>Group</u>	
	<u>FY2022</u> S\$'000	<u>FY2021</u> S\$'000
Current income tax		
- Current financial year	-	(23)
- Over/(Under)-provision in prior financial years	10	(11)
	<u>10</u>	<u>(34)</u>
Deferred income tax		
- Origination and reversal of temporary differences	(20)	*
- Over-provision in prior financial years	5	48
	<u>(15)</u>	<u>48</u>
Total tax (expense)/credit	<u>(5)</u>	<u>14</u>

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

#### 9. Dividends

	<u>Group and Company</u>	
	<u>FY2022</u> S\$'000	<u>FY2021</u> S\$'000
<b>Ordinary dividends paid:</b>		
Final tax-exempt (one-tier) dividend paid during FY2021: S\$0.0079 per share	-	1,984
No dividends were declared or paid by the Company in FY2022.		

## Advancer Global Limited and its Subsidiaries

### Notes to the condensed interim consolidated financial statements For the financial year ended 31 December 2022

#### 10. Net Asset Value

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Net asset value (S\$'000)	<u>36,160</u>	<u>40,867</u>	<u>39,914</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>14.40</u>	<u>16.27</u>	<u>15.89</u>	<u>16.14</u>

#### 11. Earnings per share

	Group	
	31 Dec 2022	31 Dec 2021
(Loss) for the financial year attributable to owners of the Company (S\$'000)	(4,421)	(4,045)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	<u>251,186</u>	<u>251,188</u>
Basic and diluted earnings per share (cents)	<u>(1.76)</u>	<u>(1.61)</u>

The basic and diluted earnings per share is the same as there were no potentially dilutive instruments as at 31 December 2022 and 31 December 2021.

Whilst there were 876,000 share options outstanding as at 31 December 2021, the share options were granted at an exercise price of S\$0.40 per share and are not considered to be dilutive for the financial year ended 31 December 2021. There were no outstanding share options as at 31 December 2022.

The weighted average number of ordinary shares for financial year ended 31 December 2021 was computed after taking into account the purchase of 10,000 and 69,000 treasury shares by the Company on 5 January 2021 and 12 January 2021 respectively. There were no purchase of treasury shares during the financial year ended 31 December 2022.

#### 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 FY2022, goodwill with carrying amount of S\$945,000 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 an 82% indirectly owned subsidiary of the Company, SRE, for a total cash consideration of S\$1,030,000 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 financial year ended 31 December 2022

12. Goodwill on consolidation (Continued)

	<u>Group</u>	
	<u>31 Dec</u> <u>2022</u> S\$'000	<u>31 Dec</u> <u>2021</u> S\$'000
<b>Cost:</b>		
At 1 January	4,425	5,440
Arising on acquisition of subsidiaries	945	604
Impairment loss	(2,525)	(1,619)
At end of financial year	<u>2,845</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 ended 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. During the financial year ended 31 December 2022, an impairment loss of S\$2.5 million was recognised for goodwill relating to Premier Group due to underperformance of the said companies.

Impairment loss of goodwill

	<u>Group</u>	
	<u>FY2022</u> S\$'000	<u>FY2021</u> S\$'000
Premier Group	2,525	1,489
Country Cousins	-	97
World Clean	-	33
	<u>2,525</u>	<u>1,619</u>

The carrying amount of goodwill had been allocated as follows:

	<u>Group</u>	
	<u>31 Dec</u> <u>2022</u> S\$'000	<u>31 Dec</u> <u>2021</u> S\$'000
Ashtree International Pte. Ltd.	115	115
Newman Group <sup>(1)</sup>	1,785	1,785
Premier Group <sup>(2)</sup>	-	2,525
SRE Group <sup>(3)</sup>	945	-
	<u>2,845</u>	<u>4,425</u>

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

(2) Premier Group – Premier and Prestige have been allocated as one CGU.

(3) SRE Group – SRE, SREM and SREP have been allocated as one CGU.

Notes to the condensed interim consolidated financial statements  
For the financial year ended 31 December 2022

13. Intangible assets

<u>Group</u>	<u>Customer contracts and contractual customer relationships<sup>(1)</sup></u> S\$'000	<u>Non-contractual customer relationships<sup>(2)</sup></u> S\$'000	<u>Operation system, operational web portal and mobile application<sup>(3)</sup></u> S\$'000	<u>Total</u> S\$'000
<b>Cost</b>				
At 1 January 2022	2,571	362	592	3,525
Addition of a subsidiary	58	-	-	58
At 31 December 2022	<u>2,629</u>	<u>362</u>	<u>592</u>	<u>3,583</u>
<b>Accumulated amortisation</b>				
At 1 January 2022	2,571	212	203	2,986
Amortisation for the financial year	22	51	112	185
At 31 December 2022	<u>2,593</u>	<u>263</u>	<u>315</u>	<u>3,171</u>
<b>Carrying amount at 31 December 2022</b>	<u>36</u>	<u>99</u>	<u>277</u>	<u>412</u>

(1) Customer contracts and contractual customer relationships were acquired in business combinations during the financial years ended 31 December 2016, 2017, 2019 and 2022.

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

(3) Cost is attributable to the development of (i) operational web portal for Group's Employment Services Business, (ii) mobile application for cleaning services, (iii) a dashboard for property management services, and (iv) operation system for pest control services.

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

14. Investments in subsidiaries

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

Notes to the condensed interim consolidated financial statements  
For the financial year ended 31 December 2022

14. Investments in subsidiaries (Continued)

***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. The increase was satisfied by way of capitalisation of existing intercompany advances. 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, an 82% indirectly owned subsidiary of the Company held through Advancer Global Facility Pte. Ltd. ("AGF"), 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.

The 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
Customer contracts and contractual customer relationships	58	-	58
Trade and other receivables	24	1	25
Cash and cash equivalents	38	38	76
Trade and other payables	(53)	(4)	(57)
Income tax payable	(10)	-	(10)
Deferred tax liabilities	(10)	-	(10)
Total identifiable net assets at book value	50	35	85
Goodwill arising from acquisition			945
Total Consideration			1,030
<u>Effect of the acquisition of SREM and SREP on cash flows</u>			
Total 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 year ended 31 December 2022.

Goodwill arising from acquisition

Goodwill of S\$945,000 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.

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.

**14. Investments in subsidiaries (Continued)**

Impact of the acquisition on profit or loss

From the date of acquisition, SREM had contributed S\$1,210,290 and S\$169,749 to the revenue and the profit after tax of the Group respectively during the financial year ended 31 December 2022. SREP had contributed S\$216,359 and S\$184,467 to the revenue and the profit after tax of the Group respectively during the financial year ended 31 December 2022.

**Strike off Green Management Pte. Ltd.**

On 7 February 2022, Green Management Pte Ltd, an indirect wholly-owned subsidiary of the Company held through AGF 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, AGF, a wholly-owned subsidiary of the Company, acquired 16% of the issued and paid-up share capital of NGPC and NAPL 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, NGPC and NAPL are 92%-owned by the Company through AGF. 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.

Notes to the condensed interim consolidated financial statements  
For the financial year ended 31 December 2022

15. Investments in associates

	<u>Group</u>	
	<u>31 Dec</u> <u>2022</u> <u>S\$'000</u>	<u>31 Dec</u> <u>2021</u> <u>S\$'000</u>
	Investments in associates, at cost	696
Additions	-	180
Share of associates' results	(285)	(300)
Carrying amount	<u>411</u>	<u>396</u>

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 as at 31 December 2022 (31 December 2021: S\$183,000). 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

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>31 Dec</u> <u>2022</u> <u>S\$'000</u>	<u>31 Dec</u> <u>2021</u> <u>S\$'000</u>	<u>31 Dec</u> <u>2022</u> <u>S\$'000</u>	<u>31 Dec</u> <u>2021</u> <u>S\$'000</u>
<b><u>Non-current investments</u></b>					
<b><u>Financial assets held at FVTPL</u></b>					
Unquoted equity instruments – at FVTPL		-	125	-	-
<b><u>Current investments</u></b>					
<b><u>Financial assets held at FVTPL</u></b>					
Quoted equity instruments – at FVTPL		<u>2,905</u>	<u>2,506</u>	<u>2,905</u>	<u>2,506</u>
<b>Total financial assets held at FVTPL</b>		<u>2,905</u>	<u>2,631</u>	<u>2,905</u>	<u>2,506</u>
<b><u>Movement for unquoted equity instruments</u></b>					
At beginning of the year		125	624	-	-
Disposal	(a)	-	(13)	-	-
Fair value loss recognised in PL		(125)	(486)	-	-
	(b)	<u>-</u>	<u>125</u>	<u>-</u>	<u>-</u>
<b><u>Movement for quoted equity instruments</u></b>					
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 loss recognised in PL	(c)	(30)	(363)	(30)	(363)
		<u>2,905</u>	<u>2,506</u>	<u>2,905</u>	<u>2,506</u>

Notes to the condensed interim consolidated financial statements  
For the financial year ended 31 December 2022

16. Other investments (Continued)

Unquoted equity instruments

It relates to the investments in ZWHY, a company incorporated in People's Republic of China, held through Advancer Smart Technology Pte. Ltd., with shareholding at 15%. As at 31 December 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 Group has recognised fair value loss on ZHWY amounting to S\$125,000 (31 December 2021: S\$486,000) during the financial year ended 31 December 2022.

The investment amount is denominated in Chinese Renminbi.

Quoted equity instruments

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

17. Property, plant and equipment

During the financial year, the Group acquired assets amounting to S\$507,000 (31 December 2021: S\$421,000) and disposed assets with carrying amount of S\$86,000 (31 December 2021: S\$124,000)

18. Financial assets and financial liabilities

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

	<u>Group</u>		<u>Company</u>	
	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets at FVTPL</b>				
Unquoted equity instruments	-	125	-	-
Quoted equity instruments	2,905	2,506	2,905	2,506
Total	<u>2,905</u>	<u>2,631</u>	<u>2,905</u>	<u>2,506</u>
<b>Financial assets at amortised cost</b>				
Trade and other receivables	14,460	14,679	11,989	11,008
Less: Advances to recruiters and suppliers	(376)	(428)	-	-
Less: Deferred cost	(125)	(119)	-	-
Less: Prepayments	(329)	(375)	(9)	(6)
	<u>13,630</u>	<u>13,757</u>	<u>11,980</u>	<u>11,002</u>
Cash and cash equivalents	20,797	24,797	13,625	15,620
Total	<u>34,427</u>	<u>38,554</u>	<u>25,605</u>	<u>26,622</u>
<b>Financial liabilities</b>				
Trade and other payables	6,899	6,654	92	85
Less: Deferred income	(206)	(362)	-	-
	<u>6,693</u>	<u>6,292</u>	<u>92</u>	<u>85</u>
Lease liabilities	2,630	2,040	-	-
Bank borrowing	530	562	-	-
Total	<u>9,853</u>	<u>8,894</u>	<u>92</u>	<u>85</u>



Notes to the condensed interim consolidated financial statements  
For the financial year ended 31 December 2022

18. Financial assets and financial liabilities (Continued)

Other receivables include loan receivable from an associate G3 of S\$2.5 million which are unsecured, interest-free and repayable on demand. No allowance for impairment has been recognised as at 31 December 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 2023. 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, 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 31 December 2022	252,363,591	40,607
	Group and Company	
	31 Dec 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	251,185,691	251,185,691

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

20. Treasury shares

	Group and Company			
	31 Dec 2022		31 Dec 2021	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
<u>Issued and fully paid, with no par value</u>				
At 1 January	1,178	241	1,099	232
Repurchased during the year	-	-	79	9
At 31 December	1,178	241	1,178	241

During the financial year ended 31 December 2021, the Company acquired 79,000 of its own shares through purchases on Singapore Exchange Securities Trading Limited. The total amount paid to acquire the shares was S\$8,992 and has been deducted from shareholders' equity.

There were no share buy-back conducted by the Company during the financial year ended 31 December 2022.

As at 31 December 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).

## Advancer Global Limited and its Subsidiaries

### Notes to the condensed interim consolidated financial statements For the financial year ended 31 December 2022

#### 20. Treasury shares (Continued)

No treasury shares were sold, transferred, disposed, cancelled and/or used during FY2022 (FY2021: 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 31 December 2022, all share options had lapsed and were not exercised.

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

<u>Date of grant</u>	<u>Balance as at 1 January 2022</u>	<u>Lapsed</u>	<u>Balance as at 31 December 2022</u>	<u>Exercise price per share (\$)</u>	<u>Exercisable period</u>
20 April 2017	859,000	(859,000)	-	0.40	Ended on 19 April 2022

#### 22. Borrowings

	<u>31 Dec 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	32	-	32	-
Amount repayable after one year	498	-	530	-
Total borrowings	<u>530</u>	<u>-</u>	<u>562</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.

Notes to the condensed interim consolidated financial statements  
For the financial year ended 31 December 2022

22. Borrowings (Continued)

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

	<u>Group</u>	
	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>
	<u>S\$'000</u>	<u>S\$'000</u>
<u>Lease liabilities-non-current</u>		
Lease liabilities arising from operating lease	1,140	616
Lease liabilities arising from finance lease	27	82
	<u>1,167</u>	<u>698</u>
<u>Lease liabilities-current</u>		
Lease liabilities arising from operating lease	1,421	1,205
Lease liabilities arising from finance lease	42	137
	<u>1,463</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>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Financial assets:</b>			
Financial assets at FVTPL			
- Quoted equity instruments	2,905	-	-
<b>At 31 December 2022</b>	<u>2,905</u>	<u>-</u>	<u>-</u>
<b>Financial assets:</b>			
Financial assets at FVTPL			
- Unquoted equity instruments	-	-	125
- Quoted equity instruments	2,506	-	-
<b>At 31 December 2021</b>	<u>2,506</u>	<u>-</u>	<u>125</u>

**23. 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.

**24. Subsequent events after reporting date**

On 1 February 2023, Ashtree International Pte. Ltd., a direct wholly-owned subsidiary of the Company held through AGS, changed its name to Advancer IFM Pte. Ltd..

**Other information required by Appendix 7C of the Catalist Rules**

**Other information required by Appendix 7C of the Catalyst Rules  
For the financial year ended 31 December 2022**

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

The condensed statements of financial position of Advancer Global Limited and its subsidiaries (the “Group”) as at 31 December 2022 and the related condensed interim consolidated statement of profit or loss and other comprehensive income for the six-months and financial year ended 31 December 2022, condensed statements of changes in equity and condensed consolidated statement of cash flows for the financial year ended 31 December 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 year ended 31 December 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.**

With COVID-19 mostly under control, the world is now grappling with geopolitical issues such as the Russia-Ukraine conflict and the serious macro-economic concerns such as inflation, which brought about interest rate interventions from the US Federal Reserve and other central banks around the world. This resulted in significantly higher business costs, such as increasing salary costs, rising finance expenses, as well as the surge in energy prices etc., which could continue to affect the Group’s results. As such, there is a fundamental need for the Group to re-think and re-position strategically to gain a stronger foothold and get ahead of the competition.

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

However, the economic slowdown and increase in cost are expected to continue to put pressure on revenue growth in 2023. Advancer will continue to remain agile and mitigate the competition by differentiating our service offerings and playing on our strengths as a home-grown 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.

**Other information required by Appendix 7C of the Catalist Rules  
For the financial year ended 31 December 2022**

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**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.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

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

## Advancer Global Limited and its Subsidiaries

### Other information required by Appendix 7C of the Catalyst Rules For the financial year ended 31 December 2022

#### 9. Updates on use of Net Subscription Proceeds

The Board refers to the Company's announcements dated 16 April 2021 and 12 August 2022 in relation to the re-allocation and updated status of use of net subscription proceeds (the "Net Subscription Proceeds") arising from the Company's issue and allotment of 65,000,000 subscription shares on 31 August 2018. The status of utilisation of the Net Subscription Proceeds as at the date of this announcement is set out as follows:

	<u>Amount allocated</u> S\$ million	<u>Amount utilised</u> S\$ million	<u>Balance</u> S\$ million
Expansion of business operations	12.30	(3.39)	8.91
General corporate and working capital purposes of the Group, mainly to support administrative and operational expenses (Note (a))	5.44	(4.70)	0.74
Investment in money market instruments and/or quoted securities	4.00	(2.08)	1.92
	<u>21.74</u>	<u>(10.17)</u>	<u>11.57</u>

Note:

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

	<u>S\$'000</u>
Professional and listing related expenses	1,104
Administrative expenses – staff costs	535
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>4,701</u>

#### 10. Breakdown of sales

	<u>FY2022</u> S\$'000	<u>FY2021</u> S\$'000	<u>Increase/ (Decrease)</u> %
<b>Revenue</b>			
(a) First half year	31,512	29,937	5.3
(b) Second half year	31,591	30,195	4.6
	<u>63,103</u>	<u>60,132</u>	4.9
<b>Profit/(Loss) after tax before deducting non-controlling interests</b>			
(a) First half year	247	(905)	N/M <sup>(1)</sup>
(b) Second half year	(4,631)	(3,140)	47.5
	<u>(4,384)</u>	<u>(4,045)</u>	8.4

Note:

- (1) N/M – Not meaningful

Please refer to Explanatory Notes to the unaudited condensed interim financial statements for the financial year ended 31 December 2022 for the review of the performance and factors leading to the material change in the contributions to turnover and earnings by the operating segments.



**Advancer Global Limited and its Subsidiaries**

**Other information required by Appendix 7C of the Catalist Rules  
For the financial year ended 31 December 2022**

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

<u>Group</u>	FY2022 S\$	FY2021 S\$
Ordinary dividend - interim	-	-
Ordinary dividend - final	-	-
	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chin Chwee Hwa	68	Brother of Chin Mui Hiong and Chin Mei Yang, the directors and controlling shareholders of the Company	Director of World Clean Facility Services Pte. Ltd. since 12 July 2005.	Nil
James Chin Yee Hong	37	Son of Chin Swee Siew @ Chen Yin Siew, the substantial shareholder of the Company and Head of Employment Services Business of the Group	(1) Operations manager of First Stewards Private Limited and Master Clean Facility Services Pte. Ltd. and is involved in day-today operations. (2) Director of Nation Human Resources Pte. Ltd.	Nil

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

Please refer to the Company's announcements dated:

- (a) 4 February 2022 in relation to the increase in issued and paid-up share capital of KH;
- (b) 7 February 2022 in relation to the strike off of Green Management Pte. Ltd.;
- (c) 15 February 2022 in relation to the acquisition of shares in SREM and SREP;
- (d) 8 April 2022 in relation to the strike off of PPMC, APAC Cities Employment Pte. Ltd., and Enreach Employment Pte. Ltd.; and
- (e) 9 May 2022 in relation to acquisition of 16% issued and paid-up capital of NGPC and NAPL.

In addition, on 1 February 2023, a wholly-owned subsidiary, Ashtree International Pte. Ltd., held through AGS, changed its name to Advancer IFM Pte. Ltd..

**On behalf of the Board of Directors**

Lim Teck Chai, Danny  
Independent Non-Executive Chairman  
28 February 2023

Chin Mei Yang  
Chief Executive Officer and Executive Director  
28 February 2023