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**RESPONSES TO QUESTIONS RECEIVED FROM SHAREHOLDERS IN RELATION TO THE ANNUAL REPORT**

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**1. INTRODUCTION**

The Board of Directors ("**Board**") of Advancer Global Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce its responses to the questions raised by the Company's shareholders in relation to the Company's annual report for the financial year ended 31 December 2023 ("**Annual Report**").

**2. QUESTIONS FROM SHAREHOLDERS AND COMPANY'S RESPONSES**

	<b>Questions from shareholders</b>	<b>Company's responses</b>
Q1	(a) Can the Board share the breakdown of revenue and profit from: <ul style="list-style-type: none"> <li>• local maid services</li> <li>• Japan maid services</li> </ul> (b) Is overseas (i.e. Japan maid services) more profitable than local?           (c) How much has the cost of sourcing and placement of maid in Singapore increased year on year?           (d) Is it the same increment for Japan maid services?           (e) Can we increase the pricing and pass the increased costs to the customers: <ul style="list-style-type: none"> <li>• in Singapore; and</li> <li>• in Japan?</li> </ul>	(a) The financial information breakdown of the Group's maid placement services for the financial year ended 31 December 2023 (" <b>FY2023</b> ") is disclosed in page 169 under "Employment Services Business" of the Annual Report. In FY2023, the Group did not generate any income from overseas operations as the business operation in Japan has not commenced.           (b) As the Group has not commenced any overseas business operations, no comparison between local and overseas profitability with respect to the Employment Services Business can be made.           (c) Due to the sensitive nature of our cost structure, the Company is unable to disclose such information.           (d) As the Group has not commenced any business operations in Japan, we are unable to comment on this question.           (e) The Group strives to adopt a balanced and measured approach in its pricing and sales strategies while continuing to maintain competitiveness in the industry. We will continue to work closely with customers to bridge this gap, taking into consideration, amongst others, inflation and macro-economic conditions.
Q2	Companies which adopt the Progressive Wage Model (" <b>PWM</b> ") usually account for the increments in salary in their financial planning and workplan and then monitor performance closely [i.e. if revenue are not covering the PWM wages,	(a) Given the nature of the Group's operations, foreign workers constitute a substantial portion of the Group's overall workforce. Therefore, adopting PWM for our Singaporean and Singapore PR employees is essential to maintain eligibility for the necessary work pass

	Questions from shareholders	Company's responses
	<p>interventions will be made such as (i) stepping up revenue (raising price), (ii) managing cost (raising staff productivity) or (iii) automation (removal of PWM costs)].</p> <p>Referring to Pages 169 and 170 of the Annual Report, Security Service business losses had widened significantly from S\$292,000 to S\$1,528,000.</p> <p>(a) Can the Board share how PWM is managed in the Company?</p> <p>(b) If there is no advantage in adopting PWM, then why not drop the PWM? Is there any penalty for dropping PWM?</p> <p>(c) Government grants had reduced significantly - is this reduction mainly attributed to PWM wages (i.e the wage support is now reduced)?</p> <p>(d) I also noted that the Chairman mentioned about high staff turnover. Does it mean that despite the adoption of PWM, it did not help in staff retention?</p>	<p>quotas for our foreign workers. Since 1 September 2022, PWM covers in-house cleaners, security officers and landscape maintenance officers. Further, the adoption of PWM is mandatory for the renewal of certain business licenses of the Group, including, its cleaning and stewarding business.</p> <p>The Group has embarked on a few initiatives such as (i) the consolidation of our various services such as pest control and fumigation, cleaning and stewarding, landscaping and gardening into one entity under Advancer IFM Pte. Ltd. ("AIFM") to capitalise on potential cost savings and (ii) upskilling our employees via our IFM Captain training program by cross training our employees with additional skillsets to enhance their knowledge and technical proficiency that will ultimately lead to improvement in productivity.</p> <p>(b) Please refer to the response in Q2(a). The adoption of PWM will allow the Group to deliver its full range of services without any prohibitions in terms of manpower.</p> <p>(c) The Group received several different wage-related support grants from the Singapore government in FY2023. The decrease in government grants for FY2023 was primarily due to the reduction of such wage-related support grants.</p> <p>(d) PWM cannot fully assure staff retention, as numerous factors influencing staff retention extend beyond just salary considerations and may lie outside of the Group's jurisdiction.</p>
Q3	<p>For the Building Management Service Business, the losses have almost halved from S\$4.5 million to S\$2.3 million.</p> <p>(a) Is this the results of the outsourcing?</p> <p>(b) Is this the results of integration of all the related services into one for economy of scale?</p> <p>(c) Have Board consider replicating this success intervention to the deteriorating loss-making Security Service Business?</p>	<p>(a) The reason for the reduction in losses in FY2023 for the Building Management Service business is mainly due to the absence of impairment loss on goodwill related to Premier Eco-Care Pte. Ltd. and Prestige International Management Pte. Ltd. which was recorded in the financial year ended 31 December 2022 of S\$2.5 million.</p> <p>(b) As disclosed in page 3 of our Annual Report, the ongoing integration of certain businesses into AIFM is progressing. Upon its completion, the Group foresees potential cost savings through economies of scale, as well as anticipated revenue growth from expanded service offerings to customers.</p> <p>(c) The Board consistently engages in dialogue with management to enhance the overall efficiency of the Group's operations and will consider all options in</p>

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		relation to improving the respective overall business performance of the Group's business segments.
Q4	<p>For the Employment Services business, it looks like a break-even business with small losses year on year.</p> <p>(a) If the rising cost of foreign maid supply is eating away all the profit, can we pass the cost increase to customer?</p> <p>(b) If we can't raise price in Singapore, what about outside Singapore?</p> <p>(c) Besides Japan, are there expansion plan to other countries?</p>	<p>(a) Please refer to our response to Q1(e) above.</p> <p>(b) The Group's Employment Services business currently only operates in Singapore.</p> <p>(c) The Group will continuously evaluate opportunities for expanding internationally, giving priority to favourable prospects. Furthermore, we will meticulously analyse the regulatory and financial considerations associated with any overseas operations to determine their long-term benefits for the Group.</p>
Q5	Why did the Company not declare dividends for FY2023?	<p>The Board, together with management, has continuously reviewed the Group's strategy considering the challenging business environment due to the rising costs of operations. We acknowledge the challenging operating environment that we face while managing a range of business activities within the Group. No dividend was declared or recommended for FY2023 to conserve cash in view of the current economic uncertainties.</p> <p>The management and Board of the Company will always endeavour to work hard to improve shareholders' value. As part of the future strategic plan of the Group, the Board will review the Company's dividend policy from time to time, balancing the imperative of funding further direct and indirect investments in opportunities to support future growth and providing sustainable shareholder returns, including the declaration of dividends.</p>

**By Order of the Board of Directors**

Chin Mei Yang  
Chief Executive Officer and Executive Director  
23 April 2024

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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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