
DISPOSAL OF INVESTMENT IN AGS INTEGRATION PTE. LTD.

1. INTRODUCTION

- 1.1. The Board of Directors ("**Directors**" or "**Board**") of Advancer Global Limited (the "**Company**", and together with its subsidiaries, the "**Group**") would like to announce that it has on 31 May 2024, through its wholly-owned subsidiary, Advancer Global Security Pte. Ltd. ("**AGS**" or the "**Vendor**"), entered into a share sale and loan settlement agreement ("**Share Sale and Loan Settlement**") with Matrix Chamber Pte. Ltd. (the "**Purchaser**"), to dispose of AGS's 70% shareholding interest ("**Vendor Shares**") in AGS Integration Pte. Ltd. ("**AGSI**") and with AGSI for the settlement of the loan, advances, receivables and loan interests owing by AGSI to the Group amounting to S\$2,741,793.13 ("**Outstanding Amounts**") (collectively the "**Proposed Transactions**"). Following the completion of the Proposed Transactions, AGS will cease to hold any equity interest in AGSI.
- 1.2. The Proposed Transactions was entered into with the Purchaser and AGSI for a total cash consideration of S\$2,500,001 for which the Purchaser shall pay AGS a nominal consideration of S\$1 for the transfer of the Vendor Shares and AGSI shall pay AGS an aggregate amount of S\$2,500,000 for the settlement of the Outstanding Amounts (the "**Settlement Amount**") (collectively the "**Consideration**").

2. INFORMATION RELATING TO AGSI

The information on AGSI in this paragraph 2 was provided by AGSI which has been extracted and reproduced herein. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

AGSI was incorporated in the Republic of Singapore on 25 April 2017 and its principal activity is the provision of private security activities, installation and maintenance of security systems and other related construction works.

AGSI has an issued and fully paid-up share capital of S\$1,200,000 consisting of 1,200,000 ordinary shares.

Based on the unaudited financial statements of AGSI for the financial year ended 31 December 2023 ("**FY2023**"), the net loss before tax of AGSI was S\$275,417. The net liabilities of AGSI as at 31 December 2023 was S\$621,019.

The net gain on disposal of AGSI is expected to be S\$192,921. The proceeds from the Consideration received will be applied towards the Group's working capital.

3. INFORMATION ON THE PURCHASER

- 3.1. The Purchaser is currently the 30% shareholder of AGSI. The Purchaser was incorporated in the Republic of Singapore on 24 July 2014 and its principal activities relate to development of software and applications (except for games and cybersecurity) and wholesale of computer

hardware and peripheral equipment (except cybersecurity related hardware and peripheral equipment).

- 3.2. The shareholders of the Purchaser are Mr Liu Weiguo, Mr. Xiang Jun and Mr Li Wei (“**Purchaser Shareholders**”). Mr Li Wei is currently an Executive Director of AGSI.
- 3.3. As at the date of this announcement, the Purchaser and Purchaser Shareholders do not hold (directly or indirectly) any shares of the Company (“**Shares**”) and are not related to the Company, the Directors or controlling shareholders of the Company, or their respective associates.
- 3.4. The Group did not appoint any agent and no commission or introducer fee is payable by the Group for this Proposed Transaction.
- 3.5. It is the intention of the Purchaser to carry on the business of AGSI after completion of the Proposed Transactions.

4. **PRINCIPAL TERMS OF THE SHARE SALE AND LOAN SETTLEMENT**

4.1. **Consideration**

The Consideration of S\$2,500,001 was arrived at after negotiations on an arm’s length and a willing-buyer and willing-seller basis, after taking into account the value of AGSI with reference to the unaudited net liabilities of S\$621,019 as at 31 December 2023 and loss before tax of S\$275,417 and S\$91,762 for FY2023 and the three months ended 31 March 2024 respectively as well as the settlement of the Outstanding Amounts.

In addition to the above quantitative factors in arriving at the Consideration, the Board also took into consideration, the following qualitative factors as set out below:

- (i) the growth in AGSI’s order book not meeting expectations for the last few years; and
- (ii) the competitive nature of the security market segment that AGSI operates in continues to put pressure on the overall profit margins earned for remote surveillance and premises security services projects.

Given the above bases, the Company believes that the Consideration is reasonable, and a separate third-party valuation is not required.

Pursuant to the terms of the Share Sale and Loan Settlement and subject to the satisfaction (or waiver) of certain conditions stipulated therein, the Settlement Amount shall be fully satisfied in cash by AGSI in the following manner:

- (a) 1st payment of S\$630,000 by no later than 31 May 2024;
- (b) 2nd payment of S\$500,000 by no later than 1 August 2024;
- (c) 3rd payment of S\$500,000 by no later than 1 July 2025;
- (d) 4th payment of S\$500,000 by no later than 1 July 2026; and
- (e) 5th and final payment of S\$370,000 by no later than 1 July 2027 (the “**Final Instalment**”).

AGSI will also proceed to market and complete the sale of its property by no later than 31 December 2024. The net proceeds of such disposal, after accounting for costs, expenses, full settlement of the property loan and taxes relating to such disposal (“**Net Proceeds**”) shall be paid to AGS by AGSI within 5 working days from the receipt of the property sale proceeds and credited

against the Final Instalment, so that AGSI shall only be required to pay AGS the balance amount after taking into account the Net Proceeds.

4.2. Transfer of Vendor Shares

The Vendor Shares shall be transferred by AGS to the Purchaser (or its nominee), free from all encumbrances whatsoever and together with all rights and entitlements, upon receipt of no less than S\$1,130,000, being the 1st and 2nd payment in paragraph 4.1.

4.3. Waiver Of Outstanding Amounts in excess of the Settlement Amount

AGS will waive any unpaid Outstanding Amounts in excess of the Settlement Amount owing by AGSI to the Group and the Group will cease to have any rights or claims against AGSI for such amounts.

5. RATIONALE FOR THE PROPOSED TRANSACTIONS

- 5.1.** The Board believes that the Proposed Transactions, which entails the disposal of AGSI, which has been a loss-making subsidiary since the commencement of its operations, and the settlement of the Outstanding Amounts to be in the best interests of the Company as it provides the Company an opportunity to recover a substantial amount of funds as working capital for the Group.

6. CHAPTER 10 OF THE CATALIST RULES

6.1. Relative Figures under Rule 1006 of the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the SGX-ST

Based on the audited consolidated financial statements of the Group for FY2023, and the unaudited financial statements of AGSI for FY2023, the relative figures for the Proposed Transactions computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases of Calculation	Relative Figure
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	(0.61)% ⁽¹⁾
(b)	The net losses ⁽¹⁾ attributable to the assets disposed of, compared with the Group's net losses	6.52% ⁽³⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	10.92% ⁽⁴⁾
(d)	The number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities of the Company previously in issue	Not applicable ⁽⁴⁾

Rule 1006	Bases of Calculation	Relative Figure
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's probable and proved reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable ⁽⁵⁾

Notes:

- (1) Based on the net liabilities of AGSI of S\$621,019 as of 31 December 2023 and the waiver of S\$242,000 of the Outstanding Amounts calculated by the total amount of Outstanding Amounts in excess of the Consideration, and the net asset value of the Group of approximately S\$31.61 million.
- (2) Net losses are defined to be profit or loss before income tax, non-controlling interests and extraordinary items.
- (3) The Group's audited net loss before tax for FY2023 was S\$4,216,000. AGSI's unaudited net loss before tax for FY2023 was approximately S\$275,000.
- (4) Computed based on the combined sum of S\$2,742,001, which is made up of (i) the Consideration of S\$2,500,001 and (ii) waived Outstanding Advances of approximately S\$242,000, and the market capitalisation of the Company of approximately S\$25.12 million, which was determined by multiplying the total number of shares in issue of the Company of 251,185,691 (excluding treasury shares) by the weighted average price of S\$0.10 per share transacted on 21 May 2024 (being the last full market day on which shares of the Company were traded preceding the date of the Share Sale and Loan Settlement Agreement).
- (5) Rule 1006(d) of the Catalist Rules is not applicable to a disposal of assets.
- (6) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

Under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances. As the relative figures computed under Rule 1006(c) of the Catalist Rules exceed 5% but do not exceed 50% and the Proposed Transaction will result in a gain of disposal, pursuant to Paragraph 4.4(c) and (e) of Practice Note 10A of the Catalist Rules, the Proposed Transactions constitute a "discloseable transaction" under Rule 1010 of the Catalist Rules and is not subject to shareholders' approval.

7. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The financial information relating to AGSI used for illustrating the financial effects of the Proposed Transactions as set out under this section was provided by AGSI.

The unaudited pro forma financial effects of the Proposed Transactions on the net tangible assets ("**NTA**") per Share and loss per Share ("**LPS**") are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Group following completion of the Proposed Transactions.

The pro forma financial effects of the Proposed Transactions set out below have been prepared based on the latest audited consolidated financial statements of the Group for FY2023 and the unaudited financial statements of AGSI for FY2023, as well as the following bases and assumptions:

- (a) the financial effects on the consolidated NTA per Share are computed based on the assumption that the Proposed Transactions had been completed on 31 December 2023;
- (b) the financial effects on the consolidated LPS are computed based on the assumption that the Proposed Transfer had been completed on 1 January 2023; and
- (c) expenses to be incurred in respect of the Proposed Transactions are estimated to be approximately S\$50,000.

7.1. NTA per Share

As at 31 December 2023	Before the Proposed Transactions	After the Proposed Transactions
NTA ⁽¹⁾ (S\$'000)	28,921	29,064
NTA per Share (Singapore cents) ⁽²⁾	11.51	11.57

Notes:

- (1) NTA is calculated based on total assets less the sum of total liabilities, minority interests and intangible assets.
(2) Based on 251,185,691 ordinary shares in issue as at 31 December 2023.

7.2. LPS

FY2023	Before the Proposed Transactions	After the Proposed Transactions
Net loss attributable to the shareholders of the Company (S\$'000)	(3,934)	(3,791)
Weighted average number of shares ('000)	251,186	251,186
LPS (Singapore cents)	(1.57)	(1.51)

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates, other than through their respective shareholdings (if any) in the Company, has any interest, direct or indirect, in the Proposed Transactions.

9. SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company and no service contract is proposed to be entered into by the Company in connection with the Proposed Transactions.

10. FURTHER INFORMATION

The Company will make the necessary follow-up announcements as and when required and/or as and when material developments arise in respect of the Proposed Transactions.

11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Share Sale and Loan Settlement Agreement is available for inspection at the Company's registered office at 135 Jurong Gateway Road, #05-317, Singapore 600135 for a period of three (3) months from the date of this announcement.

12. CAUTION IN TRADING

Shareholders and potential investors of the Company should note that the Proposed Transactions is subject to the fulfilment of certain conditions and are advised to exercise caution in trading their shares in the Company as there is no certainty or assurance as at the date of this announcement that the Proposed Transactions will be completed. The Company will make the necessary announcements as and when there are further developments. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in the announcement has been extracted from, published or otherwise, publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure, that such information is accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

By Order of the Board of Directors

Chin Mei Yang
Chief Executive Officer and Executive Director
31 May 2024

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.

The contact person for the Sponsor is Ms. Charmian Lim (Telephone: 65-6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.