

PROPOSED DISPOSAL OF MINORITY INTEREST IN G3 ENVIRONMENTAL PRIVATE LIMITED

1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Advancer Global Limited (the “**Company**”, and together with its subsidiaries and associated companies, collectively the “**Group**”), wishes to announce that, Advancer Global Facility Pte. Ltd. (“**AGF**”), a wholly-owned subsidiary of the Company, Kenmoore Mezzanine Investments Ltd (“**Kenmoore**”) and Tee Infrastructure Private Limited (“**TEE**”) (collectively, the “**Sellers**”), has on 6 August 2024, accepted a binding offer (“**Offer Letter**”) from Re Sustainability Limited (the “**RE**”) to acquire the entire 100% equity interest in G3 Environmental Private Limited and its subsidiaries (“**G3**”) for a consideration of S\$22.0 million via its subsidiary, Re Sustainability International (Singapore) Pte. Ltd. (or any other entity within the RE Group) (the “**Purchaser**”) (the “**Proposed Disposal**”).

As part of the Proposed Disposal, AGF will be disposing its 20.1% equity interest in G3. Upon completion of the Proposed Disposal, AGF and by extension the Company, will cease to hold any interest in G3 (“**Completion**”).

2. INFORMATION ON G3, THE SELLERS AND THE PURCHASER

2.1 G3

G3 was incorporated in Singapore on 27 November 2017 and is principally engaged in the business of waste collection and recycling of metal waste and scrap. The issued and paid-up capital of G3 is S\$10,000 divided into 1,000,000 shares. The breakdown of the shareholding of G3 is as follows:

Name:	Percentage of shareholding:
TEE	50.10% comprising 501,000 ordinary shares amounting to S\$5,010
Kenmoore	29.80% comprising 298,000 ordinary shares amounting to S\$2,980
AGF	20.10% comprising 201,000 ordinary shares amounting to S\$2,010

Based on the unaudited financial statements of G3 for the financial year ended 31 December 2023, G3 recorded a net profit of S\$2.12 million and had a net asset of S\$2.85 million.

2.2 AGF

AGF is a wholly-owned subsidiary of the Company incorporated in Singapore and is the holding company for the Company’s building management services subsidiaries.

2.3 Kenmoore

Kenmoore is a British Virgin Islands incorporated investment holding company and is owned by an independent third party.

2.4 TEE

TEE is a wholly-owned subsidiary of TEE International Limited (“**TEE International**”).

2.5 RE and the Purchaser

RE is a company incorporated in India and is one of Asia’s leading providers of comprehensive environment management services. RE’s directors are Mr. B.S. Shantharaju, Mr. Narayan K. Seshadri, Ms. Lim Hwee Hua, Mr. Rohan Suri, Mr. M. Goutham Reddy, Mr. Masood Mallick, Ms. Simrun Mehta and Mr. Suveer Sinha. For more information on RE, please refer to <https://resustainability.com/>.

The Purchaser is a subsidiary of RE incorporated in Singapore and is responsible for the international operations of RE.

RE and the Purchaser (and its directors) are independent third parties which are not related to any of the Company’s Directors, substantial shareholders or their associates (being a person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share or those shares, is not less than 5% of the total votes attached to all the voting shares (excluding treasury shares and subsidiary holdings) of the Company) of the Company.

3. **RATIONALE**

G3 is currently an associated company of AGF and AGF has no management rights over G3 and its subsidiaries. The majority shareholder of G3, TEE has been leading discussions in relation to the Proposed Disposal as part of its parent company’s corporate restructuring.

The Directors are of the view that the Proposed Disposal is in the best interest of the Company and its Shareholders, as the Proposed Disposal will improve the financial position and liquidity of the Group.

Given the Group’s minority stake in G3, the Proposed Disposal is not expected to have a significant impact to the existing operations and business of the Group.

4. **PRINCIPAL TERMS OF THE OFFER LETTER**

4.1 Consideration

Pursuant to the Offer Letter, the consideration for the purchase of 100% of the share capital of G3 is S\$22.0 million (the “**Consideration**”), which will be fully satisfied by way of cash to the Sellers based on their respective shareholdings in G3 on the date of completion of the Proposed Disposal (the “**Completion Date**”). Accordingly, subject to any applicable adjustments in accordance with the SPA (defined below), the consideration to be received by AGF amounts to S\$4.42 million.

The Consideration was negotiated at arm’s length, amongst the parties and arrived at on a willing buyer-willing seller basis, taking into account, amongst others, (a) the net assets of G3 of S\$2.85 million as at 31 December 2023; (ii) the contribution of G3, including the net profits recorded since

2018 and its current order book; and (c) shareholders' loans totalling S\$12.40 million to be capitalised, of which AGF's portion amounted to S\$2.49 million.

4.2 Conditions Precedent

The completion of the Proposed Disposal is conditional on various conditions precedent being fulfilled or (where applicable) waived, and those conditions to be fulfilled by AGF includes (the "**Conditions**"):

- (a) the relevant consents and approvals having being obtained and remaining valid and effective up till and including the Completion Date, and where such consents and approvals are subject to conditions, such conditions being satisfactory to RE in its reasonable discretion and being fulfilled;
- (b) the Proposed Disposal not being prohibited or restricted by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or other authority of Singapore and any other relevant jurisdictions;
- (c) no party having received any notice of claim, injunction, order or notice restraining or prohibiting the entering into or consummation of the transactions contemplated by the definitive agreements or seeking damages or other recourse in respect thereof, or notice that any of the foregoing is pending or threatened;
- (d) the representations and warranties provided are true, correct, accurate and complete as at the date of the signing and Completion Date;
- (e) the Sellers having performed and complied with all undertakings and obligations;
- (f) no event having occurred in the reasonable opinion of RE which has, or would be likely to have, a material adverse effect on the financial condition, trading position, prospects or business of G3, as a whole and as presently carried on, or the market for the products and services of G3 between the execution of the definitive agreements and up till the Completion Date;
- (g) that the business of G3 has been carried out in the ordinary course of business, G3 has not disposed of any material assets or incurred any material liabilities (including contingent liabilities) other than those in the ordinary course of business between the execution of the definitive agreements and up till the Completion Date;
- (h) all parties having received all necessary corporate and governance approvals in respect of the Proposed Disposal;
- (i) the definitive agreements ("**SPA**") shall be in the form that is mutually agreeable to the Sellers and RE;
- (j) RE being satisfied in its sole and absolute discretion that there are no potential or likely claims from any parties (including shareholders and creditors of the Group) in relation to the shares of G3;
- (k) RE being satisfied that in its sole and absolute discretion that there are no disputes or issues between the Sellers;
- (l) conversion of the shareholders' loan amounting to S\$12.40 million into equity of G3;

- (m) the rectification of the relevant employment contracts which are non-compliant with Singapore employment law and the regularisation of other employment law-related findings;
- (n) the notification to the National Environment Agency of the Proposed Disposal by subsidiaries of G3 in respect of the general waste collector's licence, cleaning business licence and general waste disposal licence;
- (o) the prior written consent from JTC Corporation on the Proposed Disposal in respect of the leases G3 currently has with JTC Corporation;
- (p) the lodgement of a caveat in respect of the property at 23 Pandan Avenue Singapore 609389 to reflect Tee Environmental Pte. Ltd., a wholly-owned subsidiary of G3, as the registered proprietor;
- (q) the execution of a tripartite escrow agreement between the Sellers, RE and a bank (as escrow agent);
- (r) release of any and all charges, liens and/or encumbrances on all shares, obtaining no dues certificate from the relevant lenders and successful transfer or unencumbered shares;
- (s) the execution of employment agreements between G3 and its key management personnel; and
- (t) payment of employee related liabilities by G3 until the Completion Date.

4.3 Definitive agreements

The Proposed Disposal is subject to the entry by the parties into SPAs and the Company will provide further updates to Shareholders in due course.

5. **RELATIVE FIGURES**

The relative figures for the Proposed Disposal as computed pursuant to Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**") and audited consolidated financial statements of the Group for the year ended 31 December 2023 ("**FY2023**") 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. This basis is not applicable to an acquisition of assets.	9.80% ⁽¹⁾
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's consolidated net profits.	(10.10)% ⁽²⁾
(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.	19.14% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition,	Not applicable ⁽⁴⁾

Rule 1006	Bases of Calculation	Relative Figure (%)
	compared with the number of equity securities previously in issue.	
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable 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.	Not applicable ⁽⁵⁾

Notes:

- (1) As G3 is an associated company of the Group, Rule 1006(a) is computed based on the cost of investment of G3 recorded by the Group amounting to S\$0.60 million as at 31 December 2023 and S\$2.49 million of shareholders' loan extended by AGF to G3 which will be capitalised before the completion of the Proposed Disposal, against the net asset value of the Group of approximately S\$31.61 million as at 31 December 2023.
- (2) Based on the Group's audited net loss before tax for FY2023 of S\$4.22 million and the Group's share of the unaudited net profit of G3 for FY2023 amounting to S\$0.43 million.
- (3) Computed based on the Consideration attributable to AGF of S\$4.42 million and the market capitalisation of the Company of approximately S\$23.11 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\$0.092 transacted on 5 August 2024.
- (4) Not applicable to a disposal of assets.
- (5) 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 net profit attributable to the asset to be disposed of has exceeded 10% of the consolidated net loss of the Group (taking into account only the absolute value), pursuant to Practice Note 10A of the Catalist Rules, the Proposed Disposal does not fall within the situations in paragraphs 4.3 and 4.4, therefore constitutes a "major transaction" under Rule 1014(2) of the Catalist Rules and is subject to shareholders' approval at an extraordinary general meeting ("EGM") to be convened, unless a waiver is granted by the SGX-ST.

6. WAIVER GRANTED BY THE SGX-ST

6.1 Waiver Conditions

The Company had on 12 June 2024 submitted an application to the SGX-ST to seek a waiver from the requirement under Rule 1014(2) of the Catalist Rules of having to obtain shareholders' approval for the Proposed Disposal (the "**Waiver**") based on the reasons set out below. The SGX-ST had on 28 June 2024, informed that, based on the Company's submissions and representations to the SGX-ST, the SGX-ST has no objection to the Waiver, subject to the following (the "**Waiver Conditions**"):

- (i) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Catalist Rule 106 and if the Waiver's conditions have been

satisfied. If the Waiver's conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;

- (ii) the Company classifying the Proposed Disposal as a disclosable transaction and complying with the relevant requirements under Chapter 10 of the Catalyst Rules; and
- (iii) the Board of Directors' confirmation that the Waiver will not be in contravention of any laws and regulations governing the Company and its constitution (or equivalent in the Company's country of incorporation).

6.2 Reasons for the Waiver

The Company's reasons for seeking the Waiver are as follows:

(a) G3 is a non-core asset of the Group

G3 is an associated company of the Group and the Group only records its share of profits from G3. The table below shows a comparison of (i) G3's share of profits to the Group's net loss; and (ii) the cost of investment in G3 to the Group's net asset value for the last 3 financial years.

Contribution to the Group's net loss before tax	G3 S\$'000	Group S\$'000	% of Group
FY2023	426	(4,216)	(10.10)%
FY2022	178	(4,668)	(3.81)%
FY2021	-*	(4,126)	Not applicable

Carrying amount of investment	G3 S\$'000	Group S\$'000	% of Group
FY2023	606	31,609	1.92%
FY2022	180	36,144	0.50%
FY2021	-*	41,553	Not applicable

*For FY2021, the Group did not recognise losses as its share of losses exceeded the Group's carrying amount of investment in G3.

As illustrated above, G3 is not a core-asset of the Group. Hence, the Proposed Disposal will not result in a change in the risk profile of the Group.

(b) The Proposed Disposal will improve the Group's financial position

The Proposed Disposal will result in a gain on disposal amounting to approximately S\$1.32 million thereby improving the Group's financial and working capital position. The net proceeds from the Proposed Disposal will be used for general working capital purposes of the Group.

(c) AGF is a minority shareholder of G3

AGF presently, does not have any management rights or board control over G3. In light of Tee International's financial position, the shareholders of G3 had, since 2022 explored, amongst others, the divestment of G3 to third parties and/or the transfer of ownership and management of G3 from Tee Infrastructure to AGF and Kenmoore.

(d) Undertaking from major shareholders of the Company

The Company has procured more than 50.00% of the total voting rights of the Company to, amongst others, vote in favour of the Proposed Disposal should a shareholders' meeting to approve the Proposed Disposal be convened.

6.3 Confirmation from the Board

As required by SGX-ST's Waiver Conditions, the Board confirms that it is not aware of any other information (including but not limited to financial information) with respect to the Group that may have a material bearing on investor's decisions which was not disclosed to investors.

The Company confirms that it is not and will not be in contravention of any laws and regulations governing the Company and the constitution of the Company arising from the Waiver.

Following this announcement, the Company confirms that the Waiver Conditions have been satisfied. A copy of the confirmation letter required under section 6.1 (iii) has been submitted to the SGX-ST.

As the SGX-ST has granted the Waiver, the Company will not be convening an EGM to seek shareholders' approval for the Proposed Disposal and the Proposed Disposal will constitute a "discloseable transaction" under the Catalist Rules.

7. **FINANCIAL EFFECTS**

The proforma financial effects of the Proposed Disposal on the net tangible assets ("**NTA**") per share and loss per share ("**LPS**") of the Group as set out below are purely for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Proposed Disposal. The financial effects set out below have been prepared based on the Group's audited consolidated financial statements for FY2023 and the unaudited consolidated financial statements of G3 for FY2023 as well as the following bases and assumptions:

- (i) the financial effects on the consolidated NTA per Share are computed based on the assumption that the Proposed Disposal had been completed on 31 December 2023;
- (ii) the financial effects on the consolidated LPS are computed based on the assumption that the Proposed Disposal had been completed on 1 January 2023; and
- (iii) expenses to be incurred in respect of the Proposed Disposal are estimated to be approximately S\$180,000.

7.1 Net Tangible Assets ("**NTA**")

	<u>Before the Proposed Disposal</u>	<u>After the Proposed Disposal</u>
<i>NTA⁽¹⁾ attributable to the Shareholders (S\$ '000)</i>	28,921	30,065
<i>Number of issued shares ('000)</i>	251,186 ⁽²⁾	251,186 ⁽²⁾
<i>NTA per Share (cents)</i>	11.51	11.97

Notes:

(1) NTA means total assets less the sum of total liabilities and intangible assets.

(2) The number of issued and paid-up shares of the Company as at 31 December 2023 is 251,185,691.

7.2 Loss Per Share (“LPS”)

	<u>Before the Proposed Disposal</u>	<u>After the Proposed Disposal</u>
Loss attributable to the Shareholders (S\$'000)	(3,934)	(3,216) ⁽¹⁾
Weighted average number of shares ('000)	251,186 ⁽²⁾	251,186 ⁽²⁾
LPS (cents)	(1.57)	(1.28)

Notes:

(1) The LPS accounted for the gain on the Proposed Disposal amounting to approximately S\$1.32 million and expenses amounting to S\$0.18 million.

(2) The number of issued and paid-up shares of the Company as at 31 December 2023 is 251,185,691.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling Shareholders of the Company or their respective associates, has an interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholding interests, direct or indirect, in the Company.

9. SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. DOCUMENTS FOR INSPECTION

A copy of the aforesaid Offer Letter 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.

11. 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 Disposal and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this 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 has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. CAUTION IN TRADING

Shareholders and potential investors of the Company should note that the Proposed Disposal is subject to the fulfilment of certain conditions precedent 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 Disposal 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. FURTHER ANNOUNCEMENTS

The Company will make further announcements to update Shareholders as appropriate when there are material developments in respect of the Proposed Disposal.

By Order of the Board of Directors
ADVANCER GLOBAL LIMITED

Chin Mei Yang
Chief Executive Officer and Executive Director
6 August 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.