Advancer
Enabling cities of the future

Advancer Global Limited
(Co. Reg. No. 201602681W)
(Incorporated in the Republic of Singapore)

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 ("**Annual Report**") and resolutions in the notice of annual general meeting for the financial year ended 31 December ("**FY**") 2024.

2. QUESTIONS FROM SHAREHOLDERS AND COMPANY'S RESPONSES

	Questions from shareholders	Company's responses
Q1	<u>Government grants</u> The government grants received by the Group amounted to approximately S$1.94M and these grants will expire in time to come. If grant income is removed, the Company is still suffering losses. (a) How is the Company planning to address this business sustainability issue of the Company? What happens if the grant is totally removed? (b) Does the Company expect the government to continue the grant for the company's full support of the government's Progressive Wage Model ("**PWM**")? Our Company is a real test case showing that PWM will only work if the government continues with the grant income. Is that the understanding of the Board on the government grant objectives?	(a) The Company fully recognizes that reliance on government grants for our business sustainability is not a long-term solution. To address this, the Company is actively pursuing a multi-pronged strategy: i. **Business Transformation & Productivity Improvement:** We are accelerating operational transformation through investments in automation, digitalization, and process optimization to drive productivity gains and cost efficiencies. This will help ensure that wage increases mandated by the PWM are sustainable in the long run. ii. **Cost Structure Review:** We have initiated a comprehensive review of our cost base, with a focus on streamlining operations and identifying areas for further efficiency. iii. **Revenue Diversification:** We are exploring new service offerings and market segments to diversify our revenue streams. If government grants are totally removed, the Company is confident that these strategic initiatives will position the Company to adapt and work towards sustainable profitability, even in the absence of government grant support. Such efforts by the Group has bore fruit

	Questions from shareholders	Company's responses
		as demonstrated from the improved financial results for FY2024. (b) The Company understands that government grants, such as those supporting the PWM, are intended as transitional support to help companies adjust to higher wage requirements and to encourage business transformation and productivity improvements. There is no expectation that such grants will be continued indefinitely. The Company recognizes that the government's objective is for companies to become self-sustaining and to uphold PWM principles through improved productivity and operational efficiency, rather than ongoing reliance on subsidies. Our strategies are therefore aligned with these objectives, and we are committed to achieving long-term sustainability independent of government grant income.
Q2	Investment in Fullcast International Co., Ltd. ("**Fullcast**") Is Fullcast still in red? Can the Company explain if Fullcast achieved the expected results since investing in in? Is there a target set? If yes, what is the target? Can the Company share some details?	The Group has held an investment in Fullcast since December 2019. While Fullcast's operations were initially impacted by the COVID-19 pandemic, the business has gradually regained momentum and is now expanding its recruitment and staffing services for foreign workers in Japan. Although Fullcast continued to incur for FY2024, these losses have narrowed significantly, reflecting an improvement in sales during the year. The Group has actively supported Fullcast by sourcing suitable foreign workers for placement with Japanese corporations, further strengthening its operational capabilities. The job placement industry in Japan remains highly competitive, and recent market instability, exacerbated by tariffs imposed by the United States government, may present additional challenges for Fullcast's business. Notwithstanding these challenges, the Company remains confident in Fullcast's trajectory toward near-term profitability.
Q3	Trade receivables On page 153 of the Annual Report, approximately S$529,000 is past due for 91 days to 365 days with a 41% expected credit loss ("**ECL**").	The Group's long-outstanding receivables are primarily attributable to our security services business segment. The ECL for these receivables is determined based on management's evaluation of their recoverability, using all available information at the time of assessment. According to the Company's credit policy, all receivables should be collected within 60

	Questions from shareholders	Company's responses
	There is approximately S$257,000 that is past due more than 365 days with a 93% ECL. Can you share some light on what are these trade receivables? What is the Company's credit policy on collections?	days from the date of invoice. Over the past few years, the Group has intensified its efforts to improve receivables collection. This focus is reflected in the significant reduction of the Group's trade receivables turnover days, which have improved from 56 days in the financial year ended 31 December 2022 to 26 days in FY2024.
Q4	<u>Artificial Intelligence ("**AI**") and drone technology</u> With the latest AI and drone technology which can be apply in security particularly: (a) Have the Company considered the Outcome-Based Contracting ("**OBC**")? (b) Have the Company explored the use of drones and AI to reduce the manpower needs in security business (i.e. work smart and optimise manpower)?	(a) Management has evaluated and introduced OBC for select customers. OBC is a key strategy recommended by Singapore's Security Industry Transformation Map to transform the industry by leveraging technology and reducing reliance on manpower. OBC shifts the focus from specifying manpower headcount to specifying desired security outcomes, allowing providers to propose innovative solutions that integrate manpower, technology, and redesigned processes. However, customer adoption of OBC remains limited at this stage, which is consistent with broader industry trends where the transition from traditional contracts to OBC is ongoing. (b) Management is actively exploring the integration of AI into our security service offerings to enhance operational cost efficiency and potentially reduce reliance on manpower. While the deployment of drones is currently not feasible due to customer preferences for on-site personnel, management is monitoring technological advancements and evaluating their applicability for future deployment. The Group is exploring the integration of AI into our security service offerings. This initiative aims to enhance operational cost efficiency and potentially reduce our reliance on manpower. As industry practice and customer readiness evolve, the Group is well-positioned to adopt these innovations for smarter, more cost-effective security solutions.

By Order of the Board of Directors

Chin Mei Yang
Chief Executive Officer and Executive Director
23 April 2025

*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, #21-01 AIA Tower, Singapore 048542.