



135 Jurong Gateway Road,  
#05-317, Singapore 600135  
Tel: (+65) 6665 3855  
Fax: (+65) 6665 0969





# INNOVATING INTEGRATED SOLUTIONS FOR TOMORROW

ANNUAL REPORT 2023

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This Annual Report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**").

This Annual Report has not been examined or approved by the Singapore Exchange Trading Limited ("**Exchange**") and the Exchange assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms. Charmian Lim (Telephone no.: +65 6232 3210) at 1 Robinson Road, #21- 00 AIA Tower, Singapore 048542.

**Advancer Global's Vision is to be a pre-eminent solutions provider, known for our technology innovations, professional and excellent services and best practices.**

**Advancer Global Limited (前进集团有限公司)** and together with its subsidiaries ("**Advancer Global**" or the "**Group**"), is a leading integrated solutions provider that specialises in providing workforce solutions and facilities management services.

The Group has two core business segments:

- Employment Services division, and
- Facilities Management Services division which encompasses the Building Management Services and Security Services.

The Group operates its employment services business under **Advancer Global Manpower**. Through its established brand, "Nation", Advancer Global Manpower provides integrated and comprehensive employment solutions and services including sourcing, recruitment, training and deployment of migrant domestic workers to households. The Group has also expanded to provide staffing and recruitment services to corporations in Japan through our associated company, Fullcast International Co., Ltd..

Our broad-based facilities management services under **Advancer Global Facility** include cleaning and stewarding, property and facility management, property valuation, pest control and fumigation, waste management and recycling, landscaping and aquascaping. These business divisions allow Advancer Global Facility to provide a holistic and integrated facilities management solution to serve the diverse needs of our customers across residential and commercial properties, schools, hospitals and hotels.

Another strategic business segment is the provision of security services under **Advancer Global Security**. Through its established subsidiaries, the Group provides manpower and smart security solutions integrated with technology to residential, commercial and industrial properties as well as security consultancy services, security related training and traffic control services.

The Group's competitive edge lies in its dedication and successful integration of its diverse offerings of workforce solutions and staffing services across its three main business categories, allowing the Group to deliver a customised holistic suite of solutions and services for our customers.

Advancer Global is listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 11 July 2016 under stock code 43Q.

More information can be found on our website at <https://advancer.sg>.



# LETTER TO SHAREHOLDERS

## DEAR SHAREHOLDERS

The ongoing macroeconomic challenges, which include geopolitics, high interest rates, and inflation, have had a profound impact on businesses worldwide, including Advancer Global and its subsidiaries. These factors strongly influence consumer spending behaviours, impacting various aspects such as disposable income and confidence in economic stability.

In times as uncertain as these, the steadfast dedication and hard work of our team, alongside the unwavering support of our loyal customers, serve as the bedrock of our strength.

### The Year in Review

In FY2023, despite the challenging economic environment, our Employment Services managed to maintain the same number of cases closed as the previous year. As one of the largest maid agencies in Singapore, Nation remains attuned to ground feedback, with a particular focus on enhancing the skills of Migrant Domestic Workers (“MDWs”). We consistently develop fresh content customized to address the changing demands of our clientele for our online learning hub, Nation Club. This platform offers MDWs access to self-paced modules crafted to improve proficiency in household management, childcare, eldercare, assistance for the physically challenged, and personal development.

Within Advancer Global's subsidiaries under Building Management Services, revenue levels were sustained despite manpower shortages and increased costs. The Security segment experienced revenue growth, driven by successful bids for new, larger security projects. However, similar to other segments, the Security division faced challenges in scaling due to constraints on manpower costs, particularly in compliance with the Progressive Wage Model (“PWM”).

On the technological front, Advancer Global's Smart Technology subsidiary achieved notable success by implementing an innovative energy-saving solution in the Smart Urban Co-Innovation Lab. This lab, a collaborative effort with the Infocomm Media Development Authority and Enterprise Singapore, serves as Southeast Asia's premier platform for industry-driven smart city solutions, showcasing our commitment to technological advancement and collaboration in addressing urban challenges.

### Operating Results

During the fiscal year review, the Group experienced a revenue uptick of S\$2.0 million, marking a 3.1% increase from S\$63.1 million in FY2022 to S\$65.1 million. However, despite our endeavors, FY2023 saw a net loss of S\$4.2 million, contrasting with S\$4.7 million in FY2022. This was primarily driven by a S\$2.6 million surge in cost of sales, reaching S\$52.4 million in FY2023 from S\$49.8 million in FY2022. The rise predominantly stemmed from escalated operational expenses, partly influenced by inflationary trends. Key contributing factors encompassed increased costs related to MDW recruitment from overseas recruiters, wage-related escalations to adhere to the PWM, rental expenses for Building Management Services' foreign workers' accommodations, and an increase in fees for subcontractors' fees for the Security Services business.

### Consolidate and Strengthen Advancer Global's Fundamentals

Moving forward, we approach our prospects with cautious optimism, considering the uncertainties prevalent in the global economy, inflationary pressures, manpower shortages, and elevated labour costs, among other challenges. Nevertheless, we remain steadfast in our belief that our emphasis on innovation, customer-centric practices, and sustainability will serve as catalysts for our continued growth and success.

# LETTER TO SHAREHOLDERS

In FY2023, we launched Advancer IFM Pte. Ltd. (“**AIFM**”) as an Integrated Facilities Management (“**IFM**”) provider, consolidating various services including pest control and fumigation, cleaning and stewarding, landscaping and gardening into one entity to capitalize on strategic synergies. However, we faced challenges during the consolidation process, impeding our progress in this regard, and we anticipate completing the transformation in FY2024.

IFM entails a comprehensive approach to managing multiple services necessary for maintaining a facility or group of facilities. By outsourcing the management of all non-core services to a single vendor or service provider such as AIFM, facility owners can achieve cost savings, optimized service delivery, increased transparency, and simplified vendor management, thereby ensuring seamless facility operation.

Amidst rising costs, including adjustments to the PWM ranging from 20 – 25 percent until 2028, and escalating expenses for equipment and supplies, the AIFM model will help our subsidiaries sustain themselves by expanding into new markets while meeting existing customer demands.

Crucially, AIFM aims to reimagine, innovate, and leverage technology such as Internet of Things (“**IoT**”), robotics, artificial intelligence, and data analytics to enhance facility management processes and operational efficiency, while enabling scalability as needed. Providing real-time insights and data empowers facility managers to make informed decisions, manage costs efficiently, and enhance user experiences.

In addressing high staff turnover and talent attraction challenges prevalent in the service industry, AIFM benefits from a skilled and knowledgeable workforce drawn from its subsidiaries. To attract and retain talent,

AIFM offers pathways for career advancement and promotion, diverse job opportunities within service divisions, on-the-job training, and job rotation, essential in the dynamic environment of facility management. Moreover, we have initiated the IFM Captain training program during the year, aimed at cross training our colleagues with additional skillsets to enhance their knowledge and technical proficiency.

## Acknowledgment

In conclusion, our commitment to advancing Advancer Global for the future remains unwavering as we strive to generate lasting value for our shareholders, communities, customers, business partners, and suppliers. Recognizing the need to remain vigilant, we are prepared to confront challenges directly rather than succumb to complacency. Our focus will remain on investing in and fortifying our team, products, and services, while upholding our steadfast commitment to customer service excellence. Moreover, we remain agile and adaptable in navigating the evolving landscape.

We extend our heartfelt gratitude to our esteemed Board members for their invaluable contributions and guidance over the past 12 months. Together with our dedicated management and employees, we eagerly anticipate a promising journey ahead, filled with shared success and growth.

We anticipate your continued support as we navigate through the current landscape, striving to elevate Advancer Global to new heights in the years ahead. Your ongoing partnership and encouragement are crucial as we embark on this journey of progress and achievement together.

## Danny Lim

*Independent Non-Executive Chairman*

## Gary Chin

*Chief Executive Officer and Executive Director*

# BUSINESS SEGMENTS

## OUR BUSINESS MODEL

Advancer Global's business model centers around providing high-touch and dedicated workforce solutions and services, augmented by technological advancements. The Company aims to offer its diverse customer base with well-trained manpower, increased convenience, quicker responses, and enhanced mobility. By leveraging sensors development, machine learning, and data analysis, Advancer Global transforms vast amounts of unstructured data collected during daily operations into actionable insights. These insights enable the Company to achieve operational efficiencies and effectiveness in the most cost-effective manner possible.

Advancer Global is structured into two primary business divisions:

- 1. Employment Services:** This division focuses on providing comprehensive workforce solutions to clients. It involves activities such as recruitment, training, deployment, and management of personnel across various industries. Advancer Global emphasizes the importance of quality training and skill development to ensure that the workforce it provides meets the specific needs and standards of its clients.
- 2. Facilities Management Services:** This division encompasses two key areas:
  - Building Management Services
  - Security Services

Overall, Advancer Global's value proposition lies in its ability to blend traditional workforce solutions with technological enhancements to meet the evolving needs of its clients. By offering a range of services under its two main divisions, Advancer Global aims to provide comprehensive solutions that address both human resource and facility management requirements.

### Employment Services

Under the established brand name "Nation", Advancer Global has solidified its position as a leading employment agency specializing in the recruitment, training, and deployment of MDWs to Singapore households. The

Group's commitment to meeting the diverse needs of its customers has facilitated the development of strong customer relationships, as evidenced by a significant number of referrals from existing customers. Over the span of nearly 30 years since Nation's inception, Advancer Global has facilitated more than 80,000 placements, indicating its extensive experience and expertise in this domain.

One of Nation's key strengths lies in its extensive database of MDWs' biodata, which provides potential employers with a wide selection of candidates to choose from based on their specific preferences, household requirements, and caregiving needs. This database serves as a valuable resource for both employers seeking domestic help and MDWs seeking employment opportunities.

During the financial year under review, the Employment Services division managed to maintain a similar number of MDWs placed in Singapore households even with the challenging business environment which can be attributed to two primary factors:

- 1. Outreach via Social Media Channels:** Advancer Global's proactive approach to engaging with customers through social media channels has likely contributed to increased awareness and visibility, attracting more households seeking domestic help.
- 2. Strategic Branch Locations:** The presence of Nation's branches in strategic locations across Singapore has facilitated easier access for customers, enabling them to conveniently avail themselves of the Group's services.

Overall, Advancer Global's Employment Services division, operating under the Nation brand, continues to demonstrate its commitment to meeting the evolving needs of households in Singapore by leveraging its extensive experience, strong customer relationships, and strategic initiatives to enhance service delivery and expand its market reach.

## Building Management Services

In the financial year under review, Advancer Global continued its momentum to enhance its presence in the IFM industry. Although the growth was marginal, it was attributed to the ongoing transformation of the business into an IFM model, which is expected to be completed by FY2024. In addition, Advancer Global has already established itself as one of the largest Managing Agents (“MA”) in Singapore, managing over 175 properties.

To support its growth strategy in the IFM sector, Advancer Global offers a comprehensive suite of solutions through its subsidiaries and associated companies:

- (i) cleaning and stewarding services (Master Clean Facility Services Pte. Ltd., AIFM and Advancer Smart Technology Pte. Ltd.);
- (ii) property consultancy, property, and facilities management services (Newman Property Consultants Pte. Ltd., Newman Property Services Pte. Ltd., SRE Global Pte. Ltd. and SRE Property & Facility Pte. Ltd.);
- (iii) specialised pest control services such as fumigation, elimination of pest infestations and disinfection services (AIFM);
- (iv) gardening, landscaping and aquascaping (AIFM); and
- (v) waste management and recycling solutions (TEE Environmental Pte. Ltd., TEE Recycling Pte. Ltd. and Envotek Engineering Pte. Ltd.).

By offering this diverse range of solutions, Advancer Global aims to provide comprehensive IFM services that meet the evolving needs of its clients while positioning itself as a prominent player in the Singapore IFM industry.

## Security Services

Advancer Global's Security Services segment is focused on providing integrated and comprehensive security solutions, leveraging advanced technology, security advisory and consultancy, security-related training, and well-trained security officers. This segment operates through subsidiaries including Advancer Security Pte. Ltd. (formerly KH Security Pte. Ltd.), AIFM, and AGS Integration Pte. Ltd..

Despite the challenges posed by manpower shortages and the requirements of the PWM and stringent training standards, Advancer Global remains committed to building and expanding its Security Services business. The Company recognizes the ongoing need for security solutions and anticipates opportunities for growth in this segment.

In the financial year under review, there was an improvement in the sale of security technology solutions and equipment. Additionally, Advancer Global aims to enhance its Security Services segment by collaborating with its IFM colleagues to offer security technology solutions as value-added services within the MA package. This synergistic approach allows Advancer Global to leverage its expertise in both security services and facility management, providing clients with comprehensive solutions that address their security needs effectively.

By integrating security technology solutions into its offerings and leveraging its partnerships and expertise, Advancer Global aims to strengthen its position in the security services market and capitalize on opportunities for further growth. This strategic approach reflects Advancer Global's commitment to innovation, customer satisfaction, and sustainable business development within the security industry.



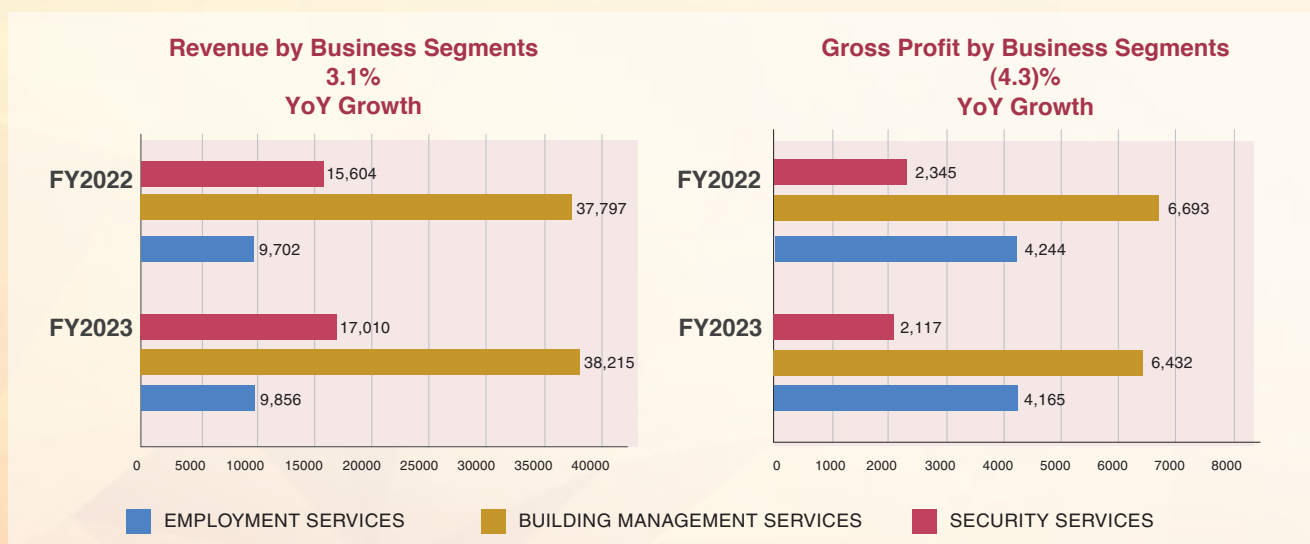
# FINANCIAL HIGHLIGHTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

INCOME STATEMENT (S\$'000)	2023	2022
Revenue	65,081	63,103
Gross profit	12,714	13,282
Loss before tax	(4,216)	(4,668)
Loss attributable to owners of the Company	(3,934)	(4,421)
BALANCE SHEET (S\$'000)		
Shareholders' equity	32,012	36,160
Total assets	43,653	47,115
Total liabilities	12,044	10,971
Net asset value	32,012	36,160
Net tangible asset value	28,921	32,903
Cash and bank balances	16,293	20,797
Net loans and borrowing	Net Cash	Net Cash
PER SHARE (SINGAPORE CENTS)		
Basic losses <sup>(1)</sup>	1.57	1.76
Net asset value <sup>(2)</sup>	12.74	14.40
Net tangible asset value <sup>(2)</sup>	11.51	13.10
Dividends <sup>(2) (3)</sup>	-	-
FINANCIAL RATIOS		
Return on equity	(12.29)%	(12.23)%
Return on assets	(9.01)%	(9.38)%
Dividend payout ratio <sup>(3)</sup>	-	-

### Notes:

- (1) For illustrative purposes, basic earnings per share was computed based on the weighted average number of ordinary shares of 251,185,691 for FY2022 and FY2023 respectively.
- (2) For illustration purposes, net asset value per share, net tangible asset per share and dividends per share were computed based on the number of Company's ordinary shares (excluding treasury shares) of 251,185,691 at the end of FY2022 and FY2023 respectively.
- (3) No dividends were declared or recommended for FY2022 and FY2023.



## REVENUE

The Group's revenue increased from S\$63.1 million in FY2022 to S\$65.1 million in FY2023 due to the following:

- (i) Revenues from the Employment Services Business and Building Management Services remained stable throughout FY2023, maintaining levels similar to FY2022. Specifically, revenue for the Employment Services Business saw a marginal increase to S\$9.9 million (compared to S\$9.7 million in FY2022), while revenue for the Building Management Services rose from S\$37.8 million in FY2022 to S\$38.2 million in FY2023. These figures indicate that the Group sustained a consistent performance in these sectors, with no significant fluctuations in revenue.
- (ii) Conversely, the Group experienced a growth in revenue from its Security Services Business in FY2023, with a rise of S\$1.4 million from FY2022's S\$15.6 million to S\$17.0 million in FY2023. This increase was primarily driven by increase in service income from security and traffic marshal services as well as the sales and installation of security equipment.

## COST OF SALES

The rise in the cost of sales by S\$2.6 million from FY2022's S\$49.8 million to FY2023's S\$52.4 million can be attributed to the following factors:

### Employment Services Business

An increase in the cost of sales by approximately S\$0.2 million was primarily due to the overall rise in the cost of insurance for MDW, following a switch in insurance providers during the financial year as well as recruitment costs paid (or payable) to overseas recruiters. The increase was offset by the decrease in MDW's accommodation expenses and medical check-up expenses.

### Building Management Services Business

The increase in the cost of sales by approximately S\$0.6 million stemmed from:

- (a) Higher average wages paid to cleaners to comply with the PWM requirement under the Cleaning Business License scheme administered by the National Environmental Agency; and
- (b) Depreciation of right-of-use assets related to leases of hostels due to increased rental rates.

The increase was offset by lower subcontractors' fees for the Group's cleaning services.

### Security Services Business

The increase in the cost of sales by approximately S\$1.6 million was driven by:

- (a) Higher average wages paid to security officers to meet the requirements of the PWM under the Police Licensing and Regulatory Department; and
- (b) An increase in subcontractors' fees aligning with the growth in revenue.

## GROSS PROFIT

As a result of the foregoing, gross profit decreased by S\$0.6 million from S\$13.3 million in FY2022 to S\$12.7 million in FY2023, which was mainly due to the decrease in gross profit from Building Management Services and Security Services segments. The Group's gross profit margin was at 21.0% in FY2022 and 19.5% in FY2023.

## OTHER OPERATING INCOME

The decline in other operating income by S\$1.4 million from FY2022's S\$2.8 million to FY2023's S\$1.4 million was primarily driven by a reduction in the amount received from government grants and credit schemes. However, this decrease was partially mitigated by an increase in interest income from fixed deposits.

# PERFORMANCE REVIEW

## ADMINISTRATIVE EXPENSES

Administrative expenses saw a decrease of S\$2.2 million from FY2022's S\$20.7 million to FY2023's S\$18.5 million primarily attributable to the following factors:

- (a) Absence of impairment loss on goodwill relating to Premier Eco-Care Pte. Ltd. and Prestige International Management Pte. Ltd and fair value loss from unquoted financial assets;
- (b) Reduction in remuneration of key management within the Group but offset by the increase in staff costs; and
- (c) Lower retainer fees.

The decrease was offset by increase in loss allowance for receivables (trade and non-trade).

## FINANCE EXPENSES

Finance expenses increased by S\$14,000 mainly due to the increase in interest expenses on lease liabilities.

## SHARE OF PROFITS FROM EQUITY-ACCOUNTED FOR ASSOCIATES

The Group recorded share of loss of S\$217,000 from the investment in Fullcast International Co., Ltd. and Eazable Pte. Ltd for FY2023, which was offset by the share of profit of S\$426,000 from the investment in G3 Environmental Private Limited ("G3").

## LOSSES FOR THE FINANCIAL YEAR

The Group's recorded a loss after tax of S\$4.2 million in FY2023 compared to a loss after tax of S\$4.7 million in FY2022.

## CURRENT ASSETS

The Group's current assets decreased by S\$3.9 million or 9.9% from S\$39.0 million as at 31 December 2022 to S\$35.1 million as at 31 December 2023, mainly due to the decrease of (a) inventories by S\$0.1 million, (b) cash and cash equivalents by S\$4.5 million (more details of the cash movement is explained in the review of the Group's Statement of Cash Flows) and (c) investment

in quoted shares of S\$0.1 million. This was offset by the increase in trade and other receivables of S\$0.8 million during the financial year.

## NON-CURRENT ASSETS

The Group's non-current assets increased by S\$0.4 million or 4.8% from S\$8.1 million as at 31 December 2022 to S\$8.5 million as at 31 December 2023, mainly due to the increase of (a) investment in associates mainly due to the share of profits recognised from G3 and (b) property, plant and equipment due mainly to purchase of a leasehold property for S\$840,000 and partially offset by depreciation of existing property, plant and equipment for the financial year.

The increase is partially offset by the decrease in (a) intangible assets due to amortisation during the financial year and (b) right-of-use assets following the amortisation of leases during the financial year.

## CURRENT LIABILITIES

The Group's current liabilities increased by S\$1.3 million or 13.6% as at 31 December 2023 as compared to 31 December 2022, mainly due to increase in (a) trade payables, (b) accrued operating expenses, (c) GST payables and (d) credit notes issued to customers for the Employment Services Business.

The increase was offset by the decrease in deferred income for government grants and dividends payable to non-controlling interests.

## NON-CURRENT LIABILITIES

The Group's non-current liabilities decreased by S\$0.2 million or 10.4% as at 31 December 2023 as compared to 31 December 2022, mainly due to the decrease of (a) lease liabilities as a result of amortisation of leases during the financial year, (b) deferred tax liabilities and (c) bank borrowing.

## NET ASSET VALUE

Net asset value of the Group decreased by S\$4.2 million from S\$36.2 million as at 31 December 2022 to S\$32.0 million as at 31 December 2023 due to the reasons set out above.

## REVIEW OF GROUP'S CASH FLOWS

### NET CASH USED IN OPERATING ACTIVITIES

The Group's net cash used in operating activities totalled S\$1.5 million. This comprised operating cash flows before movements in working capital (excluding interest income) of S\$1.7 million, coupled with a rise in trade and other receivables by S\$1.2 million. This increase was offset by an increase in trade and other payables amounting to S\$1.3 million and a decrease in inventories of S\$0.1 million.

### NET CASH USED IN INVESTING ACTIVITIES

The net cash used in investing activities amounted to S\$1.2 million for FY2023, primarily driven by:

- (a) Purchase of property, plant, and equipment totaling S\$1.2 million, primarily for:
  - (i) Acquisition of a leasehold property; and
  - (ii) Renovation of new office premises for the Group's Security Services Business and Building Management Services Business; and
- (b) Cash outflow of S\$0.3 million for the acquisition of 8% of the issued and paid-up share capital of Newman Property Consultants Pte. Ltd. (formerly known as Newman & Goh Property Consultants Pte Ltd) and Newman Property Services Pte. Ltd. (formerly known as Newman & Associates Pte. Ltd.).

These outflows were offset by:

- (a) Dividends received from quoted equity investments amounting to S\$0.1 million; and
- (b) Proceeds from the disposal of property, plant, and equipment totaling S\$0.2 million.

### NET CASH USED IN FINANCING ACTIVITIES

Net cash used in financing activities amounted to S\$1.8 million for FY2023, primarily attributed to payment for lease liabilities.

# BOARD OF DIRECTORS



**DANNY LIM**  
Independent Non-Executive Chairman

Mr. Danny Lim was appointed to the Board on 31 December 2019 and is the Independent Non-Executive Chairman of the Company.

Mr. Danny Lim joined Rajah & Tann Singapore LLP in 1998 and is currently a Partner in the Capital Markets and Mergers & Acquisitions Practice Group, advising on all aspects of corporate legal advisory and transactional work, both locally and regionally. His experience covers acquisitions, investments, takeovers, initial public offerings, corporate restructurings and reorganisations, amongst others, and his clients include multi-national companies, small and medium enterprises, private equity and institutional investors, Singapore and foreign listed companies as well as financial institutions and others.

Mr. Danny Lim graduated from the National University of Singapore with a Bachelor of Law (Honours) degree and a Master of Science (Applied Finance) from the Nanyang Technological University. He has been admitted as an advocate and solicitor of the Supreme Court of Singapore since 1999.

Mr. Danny Lim is currently an independent director of Kimly Limited, Choo Chiang Holdings Ltd, Stamford Land Corporation Ltd and ValueMax Group Limited. He is a member of the Law Society of Singapore and the Singapore Academy of Law.



**GARY CHIN**  
Executive Director  
and Chief Executive Officer (CEO)

Mr. Gary Chin was appointed to the Board on 2 February 2016 and is the Executive Director and CEO of the Company.

Mr. Gary Chin has more than 20 years of experience in the Employment Services and Facilities Management Business and is responsible for the overall administration, operation and development of the Group, as well as the key liaison with relevant authorities.

He has held various executive positions in the employment services business sector since he began his career in 1996. He was tasked with spearheading business growth through acquisitions and mergers to achieve strategic, business and financial objectives. In 2009, he was appointed as the Director of Nation Employment Pte Ltd. Throughout the years, he successfully negotiated and formed strategic alliances with business partners, both locally and overseas. He was also able to synergise various business units to improve business efficiency, create complementary businesses, and achieve greater competitive advantage.

At Advancer Global, he leads the acceleration of its business strategy for organic and vertical growth in the Facilities Management Services Division. He strongly believes in value creation through innovation and technology and via the integrated facility management model to bring the Group to the next phase of continued sustainable growth.

Mr. Gary Chin graduated with a Bachelor of Electrical & Electronic Engineering (Hons) from the University of Aberdeen, Scotland in 1995.

# BOARD OF DIRECTORS



**DESMOND CHIN**  
Executive Director

Dr. Desmond Chin was appointed to the Board on 9 June 2016 as our Executive Chairman and was re-designated to Executive Director on 31 December 2019.

Dr. Desmond Chin has over 20 years of experience in the employment services business and has been instrumental in spearheading the growth and development of our Group since 1992. He was responsible for ensuring the effective operations of our Group and the Board of Directors. From 1990 to 1992, Dr. Desmond Chin worked at UMW Engineering Ltd, where he was involved in the sale of auto retriever systems for store management, and Suntze Communication Engineering Pte Ltd, where he was involved in the sale of computer and peripheral devices and IT network solutions. In 1992, Dr. Desmond Chin co-founded Nation Employment Agency, to offer employment services in Singapore. In 1994, Nation Employment Agency partnership ceased and Nation Employment Pte Ltd was incorporated to offer the same services.

He currently services as a member of the Board of Trustees of the Domestic Employees Welfare Fund, an initiative of the National Trade Union Congress.

Dr. Desmond Chin graduated with a Bachelor of Engineering from the National University of Singapore in 1990 and subsequently obtained a Master of Business Administration from the National University of Singapore in 2012. In 2023, Dr. Desmond Chin obtained a Doctor of Business Administration from the University of Canberra.



**ONG ENG TIANG**  
Executive Director

Mr. Ong Eng Tiang was appointed to the Board on 9 June 2016 as our Executive Director.

Mr. Ong Eng Tiang is the Executive Director and Head of Building Management and Security Services of the Group. He has an aggregate of more than 20 years of experience in the cleaning and stewarding services and the security services business segments. He is responsible for heading the Group's Facilities Management Services division as well as overseeing the daily operations which include marketing strategies, manpower deployment and cash flow management.

Mr. Ong Eng Tiang began his career at Intrapac Investments Ltd. as a marketing executive in 1994, where he serviced major customer accounts and coordinated with the paper mills in Singapore and Malaysia for order requirements and shipment arrangements. From 1995 to 1998, he joined Muda Packaging Industries (Qing Yuan) Ltd. as a marketing manager, where he was responsible for the Marketing Department. In 1998, Mr. Ong Eng Tiang joined United Paper Industries Pte. Ltd. as an assistant sales manager and rose through the ranks to become its deputy marketing manager in 1999. In 2001, he joined First Stewards Private Limited ("First Stewards"), a wholly-owned subsidiary of the Company and became a shareholder of First Stewards in 2004.

Mr. Ong Eng Tiang graduated with a Bachelor of Business Administration from the University of Wisconsin-Madison in the United States of America in 1993.

# BOARD OF DIRECTORS



**LIM CHONG HUAT**  
Independent Non-Executive Director

Mr. Lim Chong Huat was appointed to the Board on 1 June 2023 as our Independent Non-Executive Director.

Mr. Lim Chong Huat serves as the Chairman of the Audit Committee and a member of the Remuneration Committee. He has a diverse and strong working experience for more than 20 years in the accounting and audit industry. Over the years, Mr. Lim Chong Huat has also gained experience in the overall management and operations of a number of private accounting companies. He is currently an Audit Principal at both Milant & Associates LLP and Matrix Audit Alliance PAC, and he is also the founder of Lim CH & Associates, a certified public accounting firm providing auditing services. He also set up a private limited company named CoseClinic Services Pte Ltd which took over the businesses of Everich Management Services.

Mr. Lim Chong Huat is currently an independent director of Samurai 2K Aerosol Limited and Sen Yue Holdings Limited.

Mr. Lim Chong Huat graduated from National Technological University with a Bachelor of Accountancy and he is a member of the Institute of Singapore Chartered Accountants and Singapore Chartered Tax Professionals. Mr. Lim Chong Huat is also a public accountant registered with the Accounting and Corporate Regulatory Authority.



**SHAMSUL KAMAR BIN MOHAMED RAZALI**  
Independent Non-Executive Director

Mr. Shamsul Kamar Bin Mohamed Razali, PBM, was appointed to the Board as our Independent Non-Executive Director on 1 June 2021.

Mr. Shamsul Kamar worked at the National Trades Union Congress (NTUC) from 2015 to 2021 and was formerly the Executive Director of the Centre for Domestic Employees (CDE), a non-profit organisation that champions the employment rights of migrant domestic employees in Singapore. He was also the Deputy Executive Secretary of the Education Services Union which endeavours to protect the interests of private education educators and workers in the sector.

Mr. Shamsul Kamar graduated from the National Technological University, National Institute of Education (NTU / NIE) with a Bachelor of Arts degree and a Master of Arts (Southeast Asian Studies) degree from the National University of Singapore. He served as an educator with the Ministry of Education for 18 years before joining NTUC.

Since 2006, Mr Shamsul Kamar has been actively involved in the community, serving in the Grassroots organisations in Kaki Bukit (2006-11) and Nee Soon Central (2011-15) and was a member of the Mendaki Tuition Scheme (MTS) Review Panel (2019-20). He was previously the Chairman of the Ministry of Social and Family Development (MSF), Review Board, Committee 6, Board of Visitors (Children and Young Persons Homes). He is currently the Advisor to Aljunied GRC GROs (Kaki Bukit) and a member of the Board of Trustees for the Keppel Fels Union (KFEU). In recognition of his public services, Mr Shamsul Kamar was awarded the National Day Award – Pingat Bakti Masyarakat (PBM) in 2017.



## **TAKEHITO HIRANO**

### **Non-Executive Non-Independent Director**

Mr. Takehito Hirano was appointed to the Board on 16 October 2018. He has years of experience in the manpower outsourcing business. In 1990, he established Fullcast Holdings Co., Ltd. (formerly known as Resort World Co., Ltd.) as one of the founders, where he was responsible for its overall administration, operation and management as a Representative Director. Fullcast Holdings Co., Ltd. has been engaging in the manpower outsourcing business for various industries and occupations as well as a forerunner of short-term manpower outsourcing companies in Japan, meeting the human resource needs of a wide variety of companies ranging from leading Japanese corporations to small and medium-sized firms. The company is listed on the First Section of the Tokyo Stock Exchange.

He is currently the Director and Chairman of Fullcast Holdings Co., Ltd. and is also a Representative Director and Chairman of F-PLAIN Corporation (formerly known as Fullcast Marketing Co., Ltd. and a subsidiary of Fullcast Holdings Co., Ltd.) and GLOBEAT Japan Inc.

Mr. Takehito Hirano graduated with a Bachelor of Economics from the Kanagawa University in Japan in 1984.



# KEY MANAGEMENT



**FRANCIS CHIN**  
Head of Employment Services

Mr. Francis Chin is our Head of Employment Services. He is responsible for the operations and management of the Employment Services Business to achieve desirable objectives, quality services and profitability.

Mr. Francis Chin began his career in 1978 as a technician and a tooling planner with Dupont Electronic Pte. Ltd, where he was responsible for assisting engineers in performing operations, modification tooling and costing planning. He then co-founded Nation Employment Pte. Ltd. in 1994 and has since been responsible for the daily operations and management of the Group's Employment Services Business.

He was awarded the Pingat Bakti Masyarakat (Public Service Medal) for commendable community service in Singapore in 2005.



**KELVIN TONG**  
Chief Financial Officer

Mr. Kelvin Tong joined our Group as the Group's Chief Financial Officer on 1 February 2023. As the Group's Chief Financial Officer, he oversees the finance, accounting and tax functions of the Group.

Mr. Kelvin Tong is also responsible for the compliance and risk management functions of the Group and is responsible for internal audit, risk management and compliance with requirements under the Listing Manual Section B: Rules of Catalyst and the Companies Act and advising the Group on its risk management and compliance processes.

Mr. Kelvin Tong has more than 20 years of financial reporting and regulatory compliance experience. Prior to joining our Group, Kelvin spent close to 14 years from 2000 at KPMG Singapore, where he was a Senior Audit Manager involved in the audit of various industries such as mining, oil and gas, pharmaceutical, food and beverage, consumer products, property development and hospitality as well as initial public offerings and reverse takeover listings and he was the Financial Controller and subsequently Chief Financial Officer of Quantum Healthcare Limited for 8 years from 2014.

Mr. Kelvin Tong is currently a Certified Practising Accountant of CPA Australia as well as a Chartered Accountant of the Institute of Singapore Chartered Accountants. Kelvin graduated from Monash University with a Bachelor of Business (Accounting) degree in 1998 and a Post Graduate Diploma in Advanced Accounting in 1999.

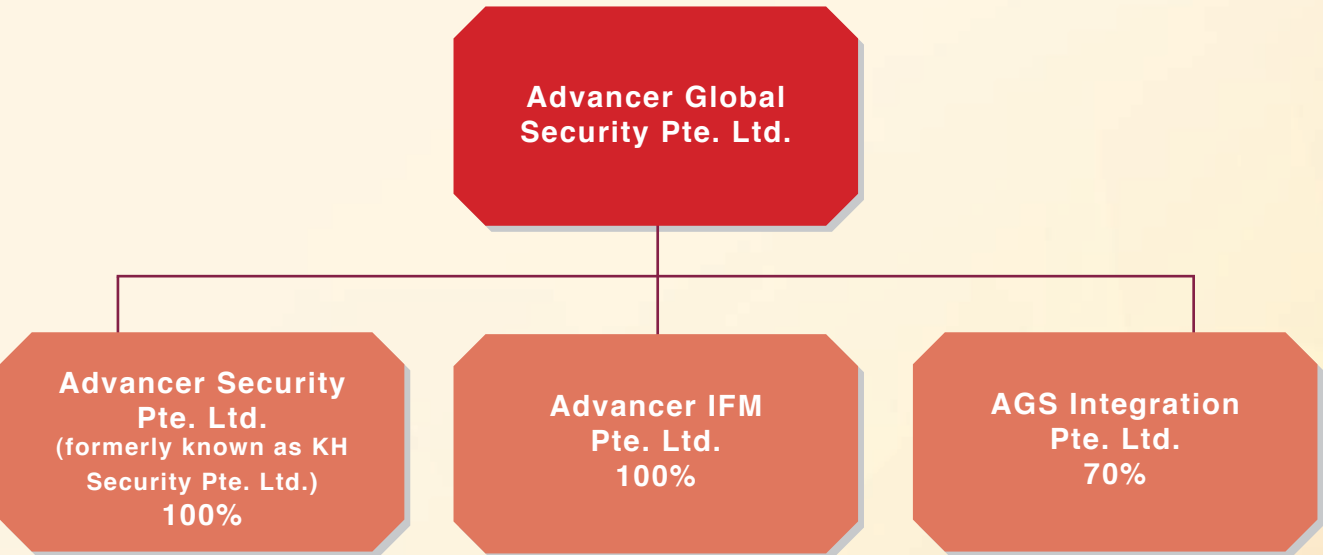
# GROUP STRUCTURE

As at 15 April 2024

## EMPLOYMENT SERVICES



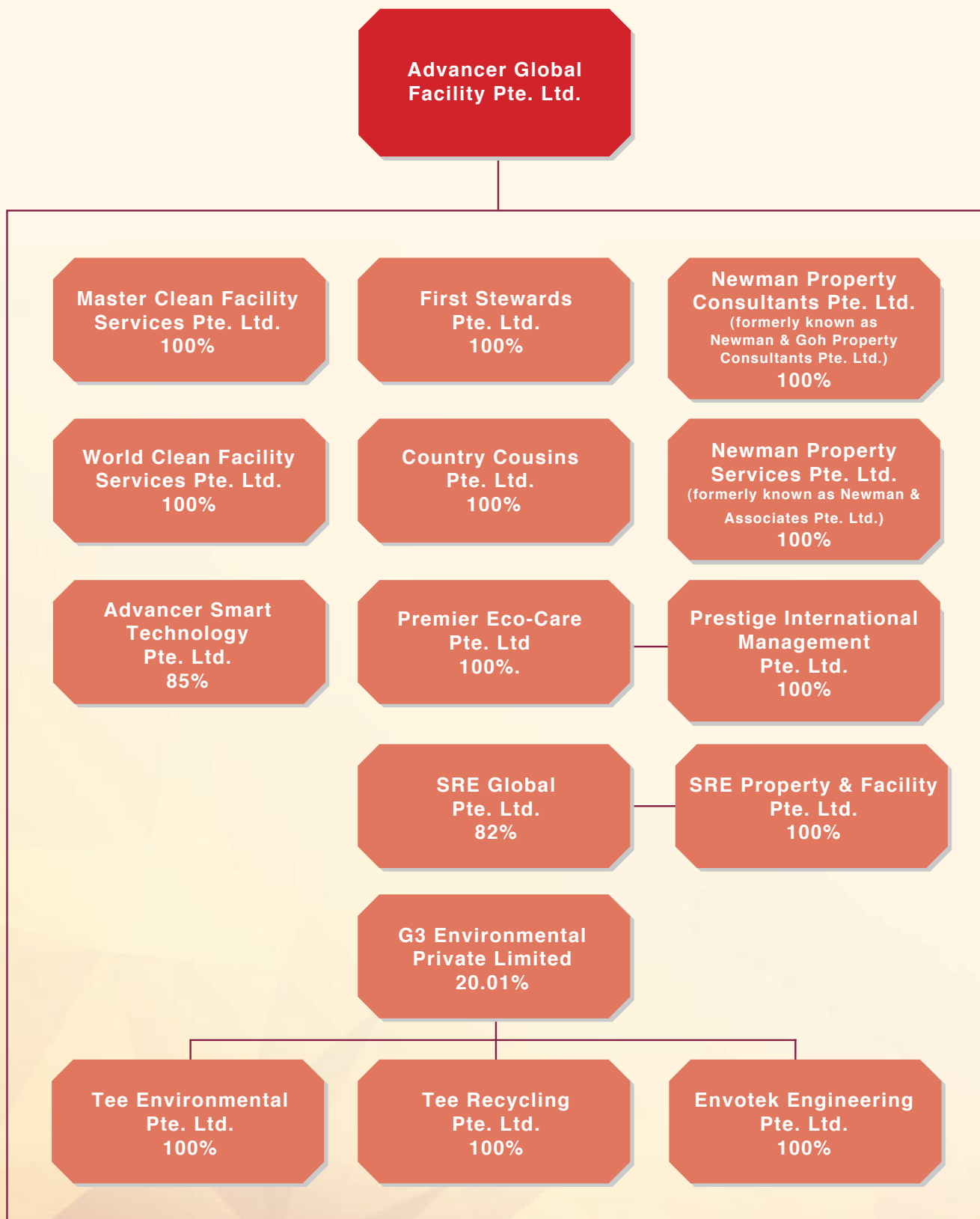
## SECURITY SERVICES



# GROUP STRUCTURE

As of 15 April 2024

## BUILDING MANAGEMENT SERVICES



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# MESSAGE FROM THE BOARD

The Board of Directors is pleased to publish Advancer Global Limited's ("AGL" or the "Group") Sustainability Report (the "Report") covering the period from 1 January 2023 to 31 December 2023 ("FY2023"). This report updates stakeholders on how the Group has incorporated material Economic, Environmental, Social, and Governance ("EESG") issues into our plans, how we manage the risks associated with these issues, and our progress towards our long-term sustainability objective. In our review, we have considered the feedback from our stakeholders, determined the ESG factors that are material to the business and have empowered the Sustainability Committee to ensure the ESG factors are monitored and properly managed on an ongoing basis.

We understand the importance of sustainability and how incorporating it into our business operations may help the Group develop in the long run. Good and proper management of our sustainability risks and opportunities improves not just our corporate governance and operational efficiency, but also the satisfaction of our stakeholders.

In FY2023, our efforts in building up our solutions for commercial buildings have expanded to include data analytics and related activities in relation to energy saving solutions for buildings, together with the wholesale of electronic components. We believe in the evolution of internet of things ("IOT") solutions for smart buildings, improving energy efficiency across electrical appliances, lighting, air conditioning and others, bringing tangible cost savings and reduction in carbon footprint. Together with our cleaning services, pest control and landscaping services, we are seeking a spin-off listing of these

businesses on NASDAQ to accelerate the growth of our businesses. We continue to synergise and innovate in the facilities management space. Our smart cleaning solutions utilise autonomous sensors to effectively detect, monitor and feedback cleaning schedules, which enable our clients to enjoy direct reduction of water usage, improved cleaning and maintenance efficiency and also better user satisfaction and lesser reliance on manpower.

Singapore has committed to achieving net zero emissions by 2050<sup>1</sup> and companies are increasingly looking into reducing their carbon emission. Our proven ability to partner with our clients in reducing their Scope 2 emissions and thereafter achieving their net zero emission commitments gives us confidence in our ability to improve the reach and profitability of our facilities management business.

AGL will continue to create value for our stakeholders by focusing on sustainable growth throughout strategies, policies, and procedures. It is the people behind the scenes and the customers that we serve that make up the backbone of our business. We are committed to producing value and impacting the future by conducting business operations in a way that considers both the environmental and social impacts while achieving profitable development.

We would like to thank our clients, business partners and shareholders for their continuous support throughout the years. We are committed to maintaining our leadership for the benefit of our stakeholders, and we will keep them updated on our progress.

(1) <https://www.nccs.gov.sg/media/press-releases/singapore-commits-to-achieve-net-zero/>

# ABOUT THIS REPORT

This Report was prepared with reference to the Global Reporting Initiative (GRI) Standards 2021, the Task Force on Climate-Related Financial Disclosures (TCFD) framework, SGX Core ESG Metrics, as well as the Rules 711A and 711B of Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) with references to the guidance set out in SGX-ST’s sustainability reporting guide under Practice Note 7F of the Catalist Rules. The choice of frameworks was with consideration of an internationally recognised framework (GRI) incorporating climate related disclosures (TCFD) and local regulatory guidance (SGX Core ESG Metrics).

We have reported our data in good faith and to the best of our knowledge. We strive to continuously improve our data collection and reporting processes.

We have engaged Alder Corporate Services Pte Ltd as independent external consultant in preparing the Sustainability Report for FY2023. Our sustainability reporting process is subject to review by our internal auditors, CLA Global TS Risk Advisory Pte Ltd. The review was conducted in accordance with International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. No external assurance was sought for this report. We note the proposed integration of International Sustainability Standards Board (ISSB) standards into sustainability reports for climate-related disclosures for FY2025 and would update our Sustainability Report in due course.

## REPORTING PERIOD AND SCOPE

This report covers the Group’s operations in Singapore for the period from 1 January 2023 to 31 December 2023.

## ACCESSIBILITY

As part of our sustainability efforts, limited hard copies of this Sustainability Report will be printed. The electronic version along with updates on our continuing sustainability efforts can be found on [http://advancer.sg/news\\_categories/sustainability-reports/](http://advancer.sg/news_categories/sustainability-reports/).

## FEEDBACK

The Group believes in continuously engaging its stakeholders to enhance its sustainability policies, practices and disclosures. Feedback or suggestions on this Sustainability Report can be sent to [sr@advancer.sg](mailto:sr@advancer.sg).

# ORGANISATIONAL PROFILE

AGL is incorporated and domiciled in Singapore and listed on the Singapore Exchange on 11 July 2016 under the stock code 43Q. Its headquarter is located at 135 Jurong Gateway Road, #05-317, Singapore 600135.

The Group is a complete one-stop service provider with a slew of companies that provide a wide range of services. We have years of experience in the service business and a long list of delighted customers. We remain competitive and cement our position as the top integrated manpower solutions and facilities management services provider in the many industries we serve thanks to our numerous subsidiaries.

To provide a full suite of solutions and services to its diverse base of customers, the Group operates on two primary business segments: (i) **Employment Services**, and (ii) **Facilities Management Services**, which includes Building Management and Security Services.

The **Employment Services** provides integrated and comprehensive employment solutions, such as sourcing, recruitment, training, deployment of migrant domestic workers (“**MDWs**”) to households, and foreign workers to corporations. The Group’s employment services business is run under the well-known trademark “**Nation**”.



Property management, security, pest control, cleaning and stewarding, gardening and landscaping, waste management, and recycling services are provided by **Facilities Management Services** to a wide range of customers, including residential, commercial and industrial properties, hospitals, schools, and hotels. We are one of the largest Managing Agents (“**MA**”) in Singapore based on the expanded portfolio of around 200 properties. All these services that we provide will give us a boost towards our goal of becoming a leading Integrated Facility Management (“**IFM**”) solutions provider.

Another strategic business segment is our **Security Services** under Advancer Global Security. Through its established subsidiaries, the Group provides manpower and smart security solutions integrated with technology to residential, commercial and industrial properties as well as security consultancy services. The Group’s competitive advantage stems from its commitment to and effective integration of its different workforce solutions and services, which enables the Group to create and deliver a comprehensive suite of solutions and services to its customers.

## SUPPLY CHAIN MANAGEMENT

Our Group has maintained positive working relationships with our suppliers and contractors, whose goals and commitments are similar to ours – to provide high-quality services while adhering to the most stringent environmental, safety, and health regulations. In our Group’s Procurement Policy, factors including quality and cost-effectiveness, as well as other standards, were formalised.

Our main suppliers are the sub-contractors for our Manpower, Cleaning and Stewarding, and Security Business. The sub-contractors are chosen based on their historical performance, experience, competence, and service quality. On top of that, we also source for alternative sub-contractors to ensure competitiveness. We continue to evaluate the performance of our key suppliers on a regular basis to verify that they still meet our operational standards. The Group’s cleaning products are approved by NEA.

We view our supply chain as an integral part of our sustainability efforts and actively engage them as part of our sustainability journey.

# GOVERNANCE & SUSTAINABILITY APPROACH

Our sustainability efforts are spearheaded by our Sustainability Committee, which consists of our senior management team. They are supported by sustainability officers from each of our business segments, Employment Services and Facilities Management Services, who will report to the Sustainability Committee.

The Sustainability Committee reports to the Board of Directors, all of whom have the appropriate core competencies and provide a diversity of experience to enable them to effectively contribute to the Group.

## SUSTAINABILITY APPROACH

We believe Corporate Social Responsibility is a critical driver of long-term sustainability. As one of the major values in our Group culture, such responsibility is pragmatically integrated into our business activities. We have established credibility among our stakeholders by incorporating such responsibilities into our management practices across the value chain. We can have an impact on the environment for future generations by taking action today. We ensure that our Group's strategy and operations are in line with a long-term vision towards a sustainable future by incorporating the concept of sustainability into our operations.

Senior management at our Group periodically evaluates focus areas where we can have the greatest economic, environmental, and social effect, as well as those that are most essential to our stakeholders. The senior management is responsible for communicating consistently with the Board of Directors.

Our Group also works closely together with its stakeholders and Board of Directors to come up with new and innovative strategies to improve our business through improving staff capabilities. We assess the needs and expectations of our key stakeholder groups that are important to our Group's value development strategy, and we will continue to work hard to develop mutually beneficial relationships.

We believe that **improving corporate governance** is one of the most essential and sustainable goal. We are committed to upholding a high level of corporate governance by following the principles and guidelines outlined in the Code of Corporate Governance 2018 (the "**2018 Code**").

Our Group has adopted a **conflict of interest** policy to guide our employees in the identification and management of conflicts of interests. All our key management staff including Executive Directors and Executive Officers are to complete the annual conflict of interest disclosures to our Board.

Our Group has adopted an **insider trading policy** to preserve the reputation and integrity of our Group and affiliates. In accordance with the policy, any person who possesses material, non-public information relating to our Company, or any other publicly traded company, including our customers and suppliers, obtained in the course of employment or by association with our Group, is considered an insider to such information.

Our Group continues to educate our employees on the **whistleblowing policy** whereby employees understand the importance of highlighting any inappropriate behaviour to maintain integrity and honesty for our stakeholders. We also keep all information confidential to protect the interest of our employees.

Under the policy, employees can address their concerns via email to a dedicated email account (whistleblow@advancer.sg), which will be directed to our Audit Committee Chairman. A Special Committee comprising selected Directors of our Group will direct an independent investigation to be conducted when concerns are received in writing or via email.

Our Group has adopted a **personal data protection policy** and continues to educate our employees on the importance of compliance with the Personal Data Protection Act and we continue to update the policy to ensure that the personal data protection policy is consistent with our current needs and legal or regulatory requirements.

In FY2023, we are proud to have met a large majority of goals set by the Board and Sustainability Committee in relation to the key sustainability topics as elaborated below.

In FY2023, we have maintained all **certifications and memberships** relevant to our Group's sustainability efforts.

In FY2023, we have expanded our focus on **training**, in particular towards health and safety.



# STAKEHOLDER ENGAGEMENT

Our ability to address sustainability issues is aided by close collaboration with our stakeholders. We communicate and consult with our diverse group of stakeholder groups on a regular basis. We incorporate their feedback into our strategy and activities when it is appropriate and relevant to our businesses. The Group aspires to understand the perspectives of our major stakeholders and to work with them to develop mutually beneficial relationships, by communicating effectively and responding to their concerns. The following is a summary of our stakeholder engagement strategy.

STAKEHOLDER GROUP	ENGAGEMENT ACTIVITIES	STAKEHOLDERS' EXPECTATIONS
<b>Customers</b>	<ol style="list-style-type: none"> <li>1. Enquiry and feedback</li> <li>2. Customer service hotlines</li> <li>3. Direct customer meeting</li> </ol>	<ol style="list-style-type: none"> <li>1. Top notch customer service</li> <li>2. Additional after sales services</li> </ol>
<b>Suppliers</b>	<ol style="list-style-type: none"> <li>1. Quotations</li> <li>2. Periodic discussion</li> <li>3. Supplier evaluation</li> </ol>	<ol style="list-style-type: none"> <li>1. Compliance with terms and conditions of purchasing policies and procedures</li> <li>2. Maintenance of ethical standards</li> </ol>
<b>Employees</b>	<ol style="list-style-type: none"> <li>1. Induction and orientation program</li> <li>2. Staff appraisal</li> <li>3. Internal memos</li> <li>4. Employee training</li> <li>5. Enquiry and feedback</li> </ol>	<ol style="list-style-type: none"> <li>1. Staff rights and welfare</li> <li>2. Personal development</li> <li>3. Good working environment</li> </ol>
<b>Investors</b>	<ol style="list-style-type: none"> <li>1. SGX-ST announcements</li> <li>2. Annual reports</li> <li>3. Company's website</li> <li>4. General meetings</li> <li>5. Circulars to shareholders</li> </ol>	<ol style="list-style-type: none"> <li>1. Profitability</li> <li>2. Transparency</li> <li>3. Timely reporting</li> <li>4. Fair purchasing practices</li> </ol>
<b>Government and Regulators</b>	<ol style="list-style-type: none"> <li>1. Discussions with government agencies and departments</li> </ol>	<ol style="list-style-type: none"> <li>1. Environmental-friendly business approach</li> <li>2. Compliance with regulations</li> <li>3. Timely reporting and resolution of issues</li> </ol>

Importance to Stakeholders	High	<ul style="list-style-type: none"> <li>• Customer Privacy</li> <li>• Certification and Regulatory Compliance</li> <li>• Human Rights Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Training &amp; Education</li> <li>• Employment</li> </ul>	
	Medium	<ul style="list-style-type: none"> <li>• Supplier's Social Assessment</li> <li>• Local Communities</li> <li>• Forced or Compulsory Labour</li> </ul>		
	Low	<ul style="list-style-type: none"> <li>• Environmental Compliance</li> </ul>		
		Low	Medium	High
		Significance of Impact		

• Economic • Environmental • Social • Governance

## SUSTAINABILITY TOPICS SELECTED:

1. Economic Performance
2. Certification and Regulatory Compliance
3. Training and Education
4. Customer Privacy
5. Employment

In FY2023, the Group has performed its annual materiality assessment exercise by conducting a survey to collect feedback from our internal and external stakeholders to ensure that all our material topics selected are material and current. The top 10 material topics identified by the Group have been validated and endorsed by the Sustainability Committee and the Board. The Board and Sustainability Committee selected the 5 sustainability topics to focus and report upon based on the continued assessment that such topics remained of high importance to stakeholders and of potentially significant impact to the Group.

# ECONOMIC PERFORMANCE

In FY2023, operational challenges persisted due to ongoing geopolitical tensions in Russia-Ukraine and Israel-Hamas, alongside an uncertain global economic environment driven by inflation.

To enhance economic performance, our management employs a cautious approach to capital and risk management in financial matters. We proactively identify and mitigate risks, subject our financial accounts to both internal and external audits, and consistently evaluate our performance against relevant benchmarks.

The Group maintained a cash balance of S\$16.3 million and net asset value of S\$32.0 million as at 31 December 2023. The Group also achieved a higher total revenue of S\$65.1 million in FY2023. Further details of the Group performance can be found in the FY2023 Annual Report.

## **Short Term Goal for FY2024**

We do not set a target for Economic Performance for FY2024 as geopolitical tensions persist and business costs remain high. We aim to increase our revenue and reduce our net loss or turn around to become net profit for FY2024.

## **Medium Term Goal for next 3-5 years**

We aim to further leverage on innovation, technology and enhancing staff efficiency levels to mitigate rising manpower costs and achieve higher gross profit margins above FY2023 levels and a stable level of net profitability.

## **Long Term Goal for next 6-10 years**

We aim to achieve stable net profitability growth of at least 5% annually through constant innovation and increase in productivity, upgrading of services and provision of higher value-added services.

## **Action Plans**

Our action plans will centre around constant innovation and productivity increases, improving our value-added services while increasing our profit margins. The proposed spin-off listing of Advancer IFM Pte. Ltd. and Advancer Smart Technology Pte. Ltd. on NASDAQ, if successful, would provide additional capital and international recognition to help us accelerate our action plans. More details on the proposed spin-off listing can be found in the Company's announcement dated 19 December 2023.

# CERTIFICATION AND REGULATORY COMPLIANCE

## Membership of Associations and Certificates

<b>Advancer Global Manpower Pte.Ltd.</b>
TUV SUD ISO 9001:2015 (Foreign Maid Employment Placement)
<b>Nation Employment Pte Ltd</b>
TUV SUD ISO 9001:2015 (Foreign Maid Employment Placement)
Certificate of Accredited Training Provider for Employers' Orientation Program (MOM – Foreign Manpower Division)
CaseTrust Accreditation for Employment Agencies Business
<b>Nation Human Resources Pte. Ltd.</b>
bizSAFE Level 3 Certificate
Reader's Digest Quality Service Awards (Gold)
TUV SUD ISO 9001:2015 (Foreign Maid Employment Placement)
<b>Advancer Global Facility Pte. Ltd.</b>
bizSAFE Star Level Certificate
GIC ISO 9001:2015 (Provision of Contract Cleaning, Stewarding and Housekeeping and Maintenance Services) & (Provision of Pest Control, Bird Control, Fumigation Services)
GIC ISO 45001:2018 (Provision Of Contract Cleaning, Stewarding and Housekeeping and Maintenance Services)
Learning Enterprise Alliance Members 2022
<b>First Stewards Private Limited</b>
bizSAFE Star Level Certificate
MW02 Housekeeping, Cleansing, Desilting And Conservancy Service Level 5
GIC ISO 9001:2015 (Provision of Contract Cleaning, Stewarding and Housekeeping and Maintenance Services)
GIC ISO 45001:2018 (Provision Of Contract Cleaning, Stewarding and Housekeeping and Maintenance Services)
<b>Master Clean Facility Services Pte. Ltd.</b>
bizSAFE Star Level Certificate
MW02 Housekeeping, Cleansing, Desilting and Conservancy Service Level 5
NEA Clean Mark Silver Award
GIC ISO 9001:2015 (Provision of Contract Cleaning, Stewarding and Housekeeping and Maintenance Services)
GIC ISO 45001:2018 (Provision of Contract Cleaning, Stewarding and Housekeeping and Maintenance Services)
Member of Environmental Management Associations Of Singapore (EMAS)
<b>World Clean Facility Services Pte. Ltd.</b>
bizSAFE Star Level Certificate
GIC ISO 45001:2018 (Provision of Contract Cleaning, Stewarding and Housekeeping and Maintenance Services)
GIC ISO 9001:2015 (Provision of Contract Cleaning, Stewarding and Housekeeping and Maintenance Services)

# CERTIFICATION AND REGULATORY COMPLIANCE

MW02 Housekeeping, Cleansing, Desilting & Conservancy Service Level 4
National Parks Board – Accredited Treatment Provider
NEA Clean Mark Silver Award
Participant in Employers’ Pledge of Fair Employment Practices
<b>Newman Property Consultants Pte Ltd (formerly known as Newman &amp; Goh Property Consultants Pte Ltd)</b>
Accredited Managing Agents (Category A) - SISV / APFM
bizSAFE Level 4 Certificate
SGS ISO 9001:2015 (Property Management and Valuation Services)
SGS – Service Certification Criteria for Property Management and Valuation-Service
<b>SRE Global Pte. Ltd.</b>
Accredited Managing Agents (Category A) – SISV / APFM
bizSAFE Level 3 Certificate
Member of Association of Property & Facilities Managers (APFM)
Member of Singapore Institute of Surveyors and Valuers (SISV)
SGS ISO 9001:2015 (Valuation Services: Land and Buildings)
<b>Premier Eco-Care Pte. Ltd.</b>
Accredited Brown Marmorated Stink Bug (BMSB) Fumigator, Australia
Australian Fumigation Accreditation Scheme (AFAS)
bizSAFE Star Level Certificate
Certified Fumigation Using PH3 (Phosphine)
License to Fumigate by Means of Hydrogen Cyanide, Methyl Bromide or Hydrogen Phosphide
Management in Food Plants, Hazard Analysis Critical Control Point (HACCP)
MIRAKN Applicator (Japan)
NEA Registered and Approved Applicator For Disinfection
NEA Registered Vector Control Operator
GIC ISO 9001:2015 <ul style="list-style-type: none"> <li>● Pest Control, Bird Control</li> <li>● Fumigation Services (International Standards for Phytosanitary Measures No. 15 [ISPM No.15])</li> <li>● Soil Treatment</li> <li>● Disinfection Services</li> <li>● Sales of Ecological Care Products</li> </ul>
GIC ISO 14001:2015 <ul style="list-style-type: none"> <li>● Pest Control, Bird Control</li> <li>● Fumigation Services (International Standards for Phytosanitary Measures No. 15 [ISPM No.15])</li> <li>● Soil Treatment</li> <li>● Disinfection Services</li> <li>● Sales of Ecological Care Products</li> </ul>

# CERTIFICATION AND REGULATORY COMPLIANCE

GIC ISO 45001:2018 <ul style="list-style-type: none"> <li>● Pest Control, Bird Control</li> <li>● Fumigation Services (International Standards for Phytosanitary Measures No. 15 [ISPM No.15])</li> <li>● Soil Treatment</li> <li>● Disinfection Services</li> <li>● Sales of Ecological Care Products</li> </ul>
<b>Country Cousins Pte. Ltd.</b>
bizSAFE Level 3 Certificate
Registered Landscape Contractor of Nparks
<b>Advancer Smart Technology Pte. Ltd.</b>
bizSAFE Level 4 Certificate
<b>AGS Integration Pte. Ltd.</b>
bizSAFE Level 3 Certificate
Member of Association of Certified Security Agencies (ASCA)
Member of Security Association Singapore
Singapore Police Force Annual Grading Exercise for Security Agencies – Pass with Competency in 9 elective components (2022) – 2 years licence
<b>Advancer IFM Pte. Ltd.</b>
bizSAFE Star Certificate
Certified Anti-Terrorism Practitioner (CATP)
Certified Force Protection Professional (CFPP)
Learning Enterprise Alliance Members 2021
Member of Association of Certified Security Agencies (ASCA)
Member of Security Association Singapore
Singapore Police Force Annual Grading Exercise for Security Agencies – Pass with Competency in 5 elective components (2022) – 2 years licence
TQCSI ISO 9001:2015 (Quality Management System)
TQCSI ISO 45001:2018 (Occupational Health & Safety Management System)
<b>Advancer Security Pte. Ltd. (formerly known as KH Security Pte. Ltd.)</b>
bizSAFE Star Certificate
Member of Association of Certified Security Agencies (ASCA)
Member of Security Association Singapore
QAI ISO 9001:2015 (Security Consultancy and Security Manpower Service Provider)
QAI ISO 45001:2018 (Occupational Health & Safety Management System)
Singapore Police Force Annual Grading Exercise for Security Agencies – Pass with Competency in 6 elective components (2022) – 2 years licence

At AGL, we believe in adhering to recognised best-in-standards and certifications as a means of evaluating how competitive our services are against the competition. In adopting such certifications, we benchmark ourselves against relevant laws and regulations in the social and economic areas that are of concern to us.

# CERTIFICATION AND REGULATORY COMPLIANCE

## **FY2023 Targets**

For FY2023, we aimed to maintain all necessary certifications and maintain full compliance with all relevant laws and regulations with no incidents involving fines or other non-monetary regulatory actions.

For FY2023, we aimed to continue to send all relevant workers for training for the necessary certifications, including occupational health and safety and environmental compliance if applicable.

We have achieved obtaining all necessary certifications and no incidents involving fines or other non-monetary regulatory actions. We have sent all relevant workers for necessary certifications.

## **Short Term Goal for FY2024**

We aim to maintain all necessary certifications and maintain full compliance with all relevant laws and regulations with no material incidents involving fines of more than S\$10,000 or other non-monetary regulatory actions. We aim to continue to send all relevant workers for training for the necessary certifications including occupational health and safety and environmental compliance if applicable.

## **Medium Term Goal for next 3-5 years**

We aim to maintain all necessary certifications and maintain full compliance with all relevant laws and regulations, including additional certifications for higher value-added services to improve our service performance, with no material incidents involving fines of more than S\$10,000 or other non-monetary regulatory actions. We aim to increase upgrading for all relevant workers for additional certifications where relevant including occupational health and safety and environmental compliance if applicable.

## **Long Term Goal for next 6-10 years**

We aim to maintain all necessary certifications and maintain full compliance with all relevant laws and regulations, including additional certifications for higher value-added services to improve our service performance, with no material incidents involving fines of more than S\$10,000 or other non-monetary regulatory actions. We aim to increase upgrading for all relevant workers for additional certifications including occupational health and safety and environmental compliance if applicable.

## **Action Plans**

We would continue to monitor the market and engage with our clients and suppliers to identify potential growth markets.

At AGL, we believe in providing proper and sufficient training, and keeping our staff informed about any changes or advancements in their unique and relevant job positions. Every new employee must complete an orientation programme to become familiar with their job responsibilities and the group culture. This guarantees that they can complete their tasks efficiently and effectively.

## AVERAGE TRAINING HOURS & TRAINING PROGRAMS

With our industry's rapid technical and market changes, it is critical for our employees to stay up to date on the latest advances and be ever-ready for what the future holds. The yearly average number of training hours attended by our operations staff stands at 22.6 hours (FY2022: 15.4 hours) and 23.0 hours (FY2022: 15.4 hours) at the management level. Selected programs for upgrading employee skills and certificates are available across business segments as shown in the following table:

SECTOR	DESCRIPTIONS
Administrative/ General	CPA Australia online training programs CPA Australia 2023 Virtual Conference ISCA online training programs Industry Outlook & Regulatory Updates
Cleaning/Stewarding	Applied Science (Environmental Services And Management) Customer Management Course Demonstrate & Apply Understanding Of Cleaning Chemical Environmental Control Coordinator Horizontal Surface Maintenance IRATA Course Perform Metal Scaffold Erection Pest Management Safety Training Washroom Maintenance Workplace Safety And Health Culture Development Workplace Safety And Health Practices Implementation Workplace Safety And Health System Management
Employment	Basic First Aid, CPR and AED Bus Driver Vocational Course Certificate of Employment Intermediaries – Basic Synchronous E-learning Personal Data Protection Act



# TRAINING AND EDUCATION

Security	<ul style="list-style-type: none"> <li>Access Control Management</li> <li>CERT First Aider (with CPR &amp; AED)</li> <li>Deterrence (Manage Disorderly Conduct And Threatening Behaviour)</li> <li>Effective Supervisory Skills</li> <li>First Aid Station Coverage</li> <li>Guard and Petrol</li> <li>Managing Project Risk</li> <li>Negotiation Tips &amp; Tricks</li> <li>Plan &amp; Implement Project</li> <li>Respond to Fire Emergency in buildings</li> <li>Security Surveillance Management</li> </ul>
Gardening/ Landscaping	<ul style="list-style-type: none"> <li>First Aid Course</li> <li>Landscape Safety Orientation Programme</li> <li>Plant identification, plant health management and disease control and plant pruning</li> <li>Plant Pruning Course</li> <li>Work At Height</li> </ul>
Pest Control	<ul style="list-style-type: none"> <li>Apply Workplace Safety &amp; Health (Process Plant)</li> <li>Effective Supervisory Skills</li> <li>First Aid (w CPR+AED)</li> <li>Hazmat Transport Driver Permit Course</li> <li>MS Excel 2019 - Basic</li> <li>MS Excel 2019 - Advanced - MS Excel 2019</li> <li>Operate Forklift</li> <li>Pest Management Course</li> <li>Refresher Standard First Aid</li> <li>Shipyard Safety Instruction Course</li> </ul>
Property Consultancy/ Property Facilities Management	<ul style="list-style-type: none"> <li>Advanced Diploma In Property &amp; Facilities Management</li> <li>Develop A Risk Management Implement Plan</li> <li>Environmental Control Officer Course</li> <li>Exit &amp; Protective Strategies For Commercial Tenancies</li> <li>First Course with CPR and AED</li> <li>Implement Incident Management Processes</li> <li>Management Agent Accreditation Training</li> <li>Managing Agent Practice</li> <li>Occupational First Aid Course</li> <li>Operate Scissor Lift</li> <li>Property Management of Leased Units</li> <li>Real Estate and Construction Centre-Planning, Scheduling and Prioritising Maintenance Work</li> <li>Unlocking High-Value Facilities Management Potential Through Integrated Facility Management</li> <li>Work At Height</li> <li>Workplace Safety and Health Management System Implementation</li> </ul>

## PERFORMANCE AND CAREER DEVELOPMENT REVIEW

In FY2023, all employees received their performance review in line with the Group's policies. We encourage on-going and two-way communication between employees and their supervisor(s). This exercise allows the managers and employees to set expectations and address potential gaps in their performance. Regular and ad-hoc feedback are also given to employees. The practices in place to develop and improve employees' performance have contributed to improving organisational performance. Furthermore, these practices allow the Group to monitor the skillsets of employees and to develop human capital within the organisation.

### **FY2023 Targets**

For FY2023, we aimed to maintain the yearly average training hours which we achieved in FY2022 for operation staff and management staff at 15.4 hours and 15.4 hours respectively.

In FY2023, we achieved yearly average training hours for operation staff and management staff of 22.6 hours and 23.0 hours respectively.

### **Short Term Goal for FY2024**

For FY2024, we aim to maintain the yearly average training hours which we achieved in FY2023 for operation staff and management staff at 22.6 hours and 23.0 hours respectively.

### **Medium Term Goal for next 3-5 years**

We aim to further leverage on innovation, technology and enhancing staff efficiency levels and will look to increase our training and upgrading hours by 5% from FY2023 levels over the next 5-year period.

### **Long Term Goal for next 6-10 years**

We aim to further leverage on innovation, technology and enhancing staff efficiency levels and will look to increase our training and upgrading hours by 7.5% from FY2023 levels over the next 10-year period.

### **Action Plans**

We would continue to monitor the market and engage with our clients and suppliers to identify potential growth markets to allow us to better equip our staff with the necessary skillsets and knowledge to pursue those markets via innovative training programmes.

# CUSTOMER PRIVACY

According to our materiality assessment, customer data privacy and protection is of paramount importance to our stakeholders, hence making this one of AGL's material topics. We recognize that as technology advances, people are becoming increasingly concerned about how their personal data is collected, managed, and used.

## **PERSONAL DATA PROTECTION ACT**

Data privacy and protection are major business concerns that fall under the purview of the entire organization. Our holistic approach to legal compliance and operational management develops a culture of awareness, ensuring that our stakeholders' privacy is respected and protected.

Customers' data are stored in secure databases with protection in place, such as periodic change of passwords and the installation of anti-virus and firewall software, to protect against potential IT security threats. All employees and operating entities in the Group are aware of these policies and procedures. Every operational manager is responsible for developing, implementing, and monitoring the Group's PDPA policy. To add on, we had organised a training on PDPA to our employees to keep them updated.

### **FY2023 Targets**

For FY2023, we aimed to achieve zero case of complaint from customers and PDPA breach. In FY2023, we achieved zero complaint and PDPA breach.

### **Short Term Goal for FY2024**

For FY2024, we aim to achieve zero complaint and PDPA breach.

### **Medium Term Goal for next 3-5 years**

We aim to achieve zero complaint and PDPA breach. We aim to better utilise data in the delivery of our services and will look to improving our overall data management and cybersecurity policies.

### **Long Term Goal for next 6-10 years**

We aim to achieve zero complaint and PDPA breach. We aim to better utilise data in the delivery of our services and will look to improving our overall data management and cybersecurity policies.

### **Action Plans**

We would review our business model, business scale, the resulting level of data and sensitivity of data collected and used in determining an appropriate data protection action plan.

# EMPLOYMENT

Our most significant resource is our people and investing in their professional and personal well-being is critical to our group's long-term sustainability. Our goal is to instil in our workers work habits that are consistent with our core values and code of conduct. They are the bedrock upon which we develop all our business objectives and carry out our daily operations.

We understand that a driven workforce will convey a positive and powerful message to all of our key stakeholders, including customers, suppliers, and community members. We build an environment conducive to flourish creativity and inspiration to further increase our competitiveness by attracting, nurturing, empowering, and rewarding our workers. The amount of commitment to our employees fosters a corporate culture of passion, excellence, and trust, which reflects in our capacity to generate value for our stakeholders. As our business is sensitive to the overall economy trends, the Group is actively managing staff strength and workload.

Across all our industries, the Group continues to hire a diverse workforce. To promote transparency and fairness for our employees, we have established policies and practices. We strongly believe that gender and age diversity are critical to sustaining our dynamic workforce. Our employment policies include providing equitable employment opportunities for these groups.

New Employee Hires Sorted by Age Groups			
Category / Year	2023	2022	2021
Under 30 Years Old	96	107	77
Between 30 to 50 Years Old	244	259	148
Over 50 Years Old	311	337	172

New Employee Hires Sorted by Gender				
Category / Year	Male		Female	
	2023	2022	2023	2022
Number of Employees	1,031	1,012	308	327
Number of New Employees	500	510	151	193
Number of Resigned Employees	481	407	170	164
Average Monthly Turnover Rate	3.89%	3.35%	4.60%	4.18%

## BENEFITS FOR FULL-TIME EMPLOYEES

The Group provides the following benefits to full-time employees:

- Healthcare subsidies
- Tie-ups with insurance
- Option of stock ownerships under Employee Share Option Scheme
- Education awards
- Disability Coverage (WICI)
- Parental leave

# EMPLOYMENT

We introduced the Advancer Education Award in FY2021 for the benefit of employees with school-going children. The award is open to all permanent full-time employees who meet the criteria. In FY2023, we gave out the award to 10 employees (FY2022:10).

We will continue to review our employment policies and strive towards greater gender equality and a more inclusive workforce. Revisions were made to the Group's employment policies during the year which is as part of the Senior Worker Early Adopter Grant, the Group has raised the internal retirement and re-employment ages up to 71 years respectively.

## **FY2023 Targets**

For FY2023, we aimed to achieve average monthly turnover rate to be 5% or lower and to upgrade skills of employees, where applicable, to ensure that they are always kept up-to-date with the most relevant skills.

In FY2023, we achieved an average monthly turnover rate of 4.05%.

## **Short Term Goal for FY2024**

For FY2024, we aim to achieve an average monthly turnover rate of 5% or lower.

## **Medium Term Goal for next 3-5 years**

We will continue to monitor industry human resources best practices and aim to be an employer of choice for our industry. We aim to achieve an average monthly turnover rate of 4.75% or lower.

## **Long Term Goal for next 6-10 years**

We will continue to monitor industry human resources best practices and aim to be an employer of choice for our industry. We aim to achieve an average monthly turnover rate of 4.5% or lower.

## **Action Plans**

We would review Singapore and international human resources best practices. We also seek to uplift our employees through wages and non-monetary welfare and through our efforts, seek to have better staff retention over time.

# FURTHER GOALS FOR FY2024

Investments in innovation remains a key priority for the Group in FY2024, including increasing awareness among our ecosystem for our sustainability efforts and how we can play a more significant role with our smart FM solutions and to support our Integrated Facility Management (“IFM”) penetration strategy. We continue to upgrade and reposition our subsidiaries to meet changing market demands and strengthen our market position today and for the medium- and long-term future.

We continue our work with the Smart Urban Co-Innovation Lab<sup>2</sup>, Southeast Asia's first industry-for-industry, platform-agnostic, multi-disciplinary lab for smart city solutions in partnership with the Infocomm Media Development Authority and Enterprise Singapore and look for more commercialisation opportunities in FY2024, especially in the Built Environment<sup>3</sup>, namely the Construction, Facilities Management, Real Estate, Security and Environmental Services sectors.

(2) <https://smartlab.expert/about-us/>

(3) <https://www.imda.gov.sg/About-IMDA/Research-and-Statistics/Support-for-Industry-Sectors/Built-Environment>

# CLIMATE-RELATED DISCLOSURES

Beyond the impact of the Group's operations on the environment and society, we need to consider the impact of climate change on our business operations, assets and stakeholders such as our employees, audiences and shareholders. The Group will progressively enhance our climate-related disclosures and begin implementing the TCFD recommendations as per SGX's phased approach.

## A. The Board's oversight of climate related risks and opportunities

The Board works closely with the Sustainability Committee to set a suitable governance framework to ensure that sustainability is always integrated as part of our overall business strategy, taking into consideration prevailing economic conditions, geopolitical issues and the cost efficiency of sustainability strategy.

## B. The Management's role in assessing and managing climate-related risks and opportunities

The Sustainability Committee which comprises senior management personnel of the Group, identifies the climate-related risks and opportunities and supports the Board on the implementation of the respective climate-related strategies.

## C. Climate-related risks and opportunities

The TCFD has classified climate-related risks into two major categories:

1. Transition risks which are risks related to the transition to a lower-carbon economy; and
2. Physical risks which are risks related to the physical impacts of climate change.

The Group is of the view that transition risks to the Group is remote and has started with the identification of physical risks.

CLIMATE-RELATED RISKS	POTENTIAL FINANCIAL IMPACT
Physical risk – increased severity of extreme weather events	The Group's key assets are its employees and the MDWs it places out to corporations and households. The Group has purchased insurance for its employees and MDWs to ensure that risks of any injuries or ill health arising from such physical risks are mitigated.
Physical risk – Rising mean temperatures and extreme variability in weather patterns	

## D. The organisation's process for identifying and assessing climate-related risks, as well as climate-related risks and opportunities identified

For the Group's Employment Services segment, the Group hopes to create a positive impact to household sustainability efforts through the education of its MDWs and foreign workers as part of its training programme. Such efforts will however not be quantifiable as the MDWs and foreign workers are deployed to various households and corporations.

For the Group's Facilities Management Services segment, sustainability would be a key focus as the sector focuses on the maintenance of build environments in a low carbon footprint manner. The Company is evaluating the feasibility of various facilities management sustainability initiatives, some of which may only be feasible over the medium term and beyond, as technologies continue to improve, and costs reduce.

# CLIMATE-RELATED DISCLOSURES

As a services company, we have not identified any direct and material impact from climate change, including scenario planning for a 2°C increase in global warming. We have however identified climate change as a key risk for the Built Environment and other clients of the Group. We do not currently have an overall strategy for addressing such climate risk and opportunities but are in constant communication with our clients to better understand how our services can help in their own climate strategy.

## **E. The metrics used to assess climate-related risks and opportunities.**

The Company is guided by the United Nations Framework Convention on Climate Change where, by 2030, all material use in the built environment should be reduced, optimised and replaced with re-used or low carbon materials where possible.

As a services company, we do not engage in any activity contributing to Scope 1 emissions.

As a services company, we do not engage in any activity materially contributing to Scope 2 emissions and have not implemented scope 2 emissions measurements for FY2023, mainly for energy consumption. Subject to the cost efficiency of implementing appropriate system of measurement and disclosure across all our business activities, we aim to implement scope 2 emissions disclosure by the end of FY2024.

As a services company, we do not engage in any activity materially contributing to Scope 3 emissions and have not implemented scope 3 emissions measurements for FY2023. Subject to the cost efficiency of implementing appropriate system of measurement and disclosure across all our business activities, we aim to implement scope 3 emissions disclosure for certain material items such as business travel by the end of FY2024.

# GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX / SGX CORE INDEX / TCFD INDEX

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	20
	2-2 Entities included in the organization's sustainability reporting	20
	2-3 Reporting period	19
	2-4 Restatement of information	Save for the average training hours achieved in FY2022 for operation staff and management staff at 15.4 hours (stated as 44 hours in the 2022 Sustainability Report) and 15.4 hours (stated as 18 hours in the 2022 Sustainability Report), there is no restatement of information
	2-5 External assurance	No external assurance was sought for this sustainability report
	2-6 Activities, value chain, and other business relationships	20
	2-7 Employees	33
	2-8 Workers who are not employees	There are no workers who are not employees
	2-9 Governance structure and composition	21
	2-26 Mechanisms for seeking advice and raising concerns	19
	2-27 Compliance with laws and regulations	28
	2-28 Membership associations	25
	2-29 Approach to stakeholder engagement	22
	2-30 Collective bargaining agreements	There are no collective bargaining agreements
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	23
	3-2 List of material topics	23
	3-3 Management of material topics	23
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct Economic value generated and distributed	24
<b>GRI 403: Occupational Health and Safety 2018</b>	403-5 Worker training on occupational health and safety	29



# GLOBAL REPORTING INITIATIVE (GRI)

## CONTENT INDEX / SGX CORE INDEX / TCFD INDEX

<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	29
	404-2 Programs for upgrading employee skills and transition assistance programs	29
	404-3 Percentage of employees receiving regular performance and career development reviews	31
<b>GRI 418: Customer Privacy 2016</b>	481-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	32

<b>SGX Core ESG Metric</b>	<b>Disclosure</b>	<b>Page Reference and Reasons for Omission, if applicable</b>
<b>Social</b>	Gender Diversity	33
	Age-based Diversity	33
	Employment	33
	Development & Training	33
	Occupational Health and Safety	33
<b>Governance</b>	Certifications	25

<b>TCFD</b>	<b>Disclosure</b>	<b>Page Reference and Reasons for Omission, if applicable</b>
<b>Governance and Strategy</b>	<p>The Board is advised by the Sustainability Committee who is supported by sustainability officers from each of our business segment, Employment Services and Facilities Management Services, who will report to the Sustainability Committee.</p> <p>We will continue to review our operations for specific climate-related risks and manage such impacts.</p>	21
<b>Risk Management</b>	AGL is currently working on this and will be disclosing more information in FY2024.	35
<b>Metrics and Targets</b>	<p>Our participation in the Smart Urban Co-Innovation Lab and the development of the energy saving system for use within the Lab is a further goal of the Company with targets to be set in due course.</p> <p>The Group targets to ensure compliance with the TCFD recommendations based on a phased approach to report on climate risk disclosures on a 'comply or explain' basis, and will review and consider more comprehensive disclosure based on TCFD recommendations next year, including climate-related risks and opportunities, Scope 1 and Scope 2 GHG emissions and scenario analysis.</p>	36

## BOARD OF DIRECTORS

**Mr. Danny Lim Teck Chai**

Independent Non-Executive Chairman

**Mr. Gary Chin Mei Yang**

Chief Executive Officer and Executive Director

**Dr. Desmond Chin Mui Hiong**

Executive Director

**Mr. Ong Eng Tiang**

Executive Director

**Mr. Lim Chong Huat**

Independent Non-Executive Director

**Mr. Takehito Hirano**

Non-Independent Non-Executive Director

**Mr. Shamsul Kamar Bin Mohamed Razali**

Independent Non-Executive Director

## AUDIT COMMITTEE

**Mr. Lim Chong Huat** (Chairman)

**Mr. Danny Lim Teck Chai**

**Mr. Shamsul Kamar Bin Mohamed Razali**

## REMUNERATION COMMITTEE

**Mr. Danny Lim Teck Chai** (Chairman)

**Mr. Lim Chong Huat**

**Mr. Shamsul Kamar Bin Mohamed Razali**

## NOMINATING COMMITTEE

**Mr. Shamsul Kamar Bin Mohamed Razali** (Chairman)

**Mr. Gary Chin Mei Yang**

**Mr. Danny Lim Teck Chai**

## COMPANY SECRETARY

**Ms. Sin Chee Mei**, ACIS and PMP

**Ms. Koo Wei Jia**, ACIS

## REGISTERED OFFICE

135 Jurong Gateway Road #05-317

Singapore 600135

Website: <https://advancer.sg>

Tel: (65) 6665 3855

Fax: (65) 6665 0969

## SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.

30 Cecil Street

#19-08 Prudential Tower

Singapore 049712

## AUDITORS

Mazars LLP

135 Cecil Street

#10-01 MYP Plaza

Singapore 069536

## Partner-in-charge:

**Mr. Lai Keng Wei**

(Chartered Accountant of Singapore)

Date of appointment: 31 December 2020

## PRINCIPAL BANKERS

DBS Bank Ltd.

12 Marina Boulevard

Marina Bay Financial Centre, Tower 3

Singapore 018982

Oversea-Chinese Banking Corporation Limited

65 Chulia Street

#09-00 OCBC Centre

Singapore 049513

United Overseas Bank Limited

80 Raffles Place

UOB Plaza

Singapore 048624

Standard Chartered Bank (Singapore) Limited

6 Marina Boulevard #27-01

Singapore 018981

## CONTINUING SPONSOR

SAC Capital Private Limited

1 Robinson Road

#21-00 AIA Tower

Singapore 048542

Tel: (65) 6232 3210

# CORPORATE GOVERNANCE REPORT

Advancer Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) are firmly committed to maintaining a high standard of corporate governance by adhering to the principles and provisions set out in the Code of Corporate Governance 2018 (the “**Code**”), where appropriate. These principles and provisions reflect the Board’s commitment in having effective corporate practices to safeguard against, amongst others, fraud and dubious financial transactions, with the aim of protecting shareholders’ interests as well as maximizing long-term success of the Company and Group.

The Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) requires all listed companies to describe in their annual reports, their corporate governance practices, with specific reference to the principles of the Code.

This report sets out the corporate governance practices that were adopted by the Group during the financial year ended 31 December 2023 (“**FY2023**”) (“**Report**”), with specific reference to the principles and provisions of the Code as well as the accompanying practice guidance, which forms part of the continuing obligations of the Catalist Rules of the SGX-ST.

The Board confirms that, for FY2023, the Group has generally adhered to the principles and provisions outlined in the Code. Where there were deviations from the provisions of the Code, appropriate explanations are provided. The Board will continue to assess the needs of the Company and improve on its corporate governance practices as appropriate.

## 1. THE BOARD’S CONDUCT OF AFFAIRS

**Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

As at the date of this Report, the Board comprises the following members, all of whom have the appropriate core competencies and diversity of experience needed to enable them to effectively contribute to the Group.

Lim Teck Chai, Danny (“ <b>Danny Lim</b> ”)	Independent Non-Executive Director and Chairman
Chin Mei Yang (“ <b>Gary Chin</b> ”)	Chief Executive Officer and Executive Director
Chin Mui Hiong (“ <b>Desmond Chin</b> ”)	Executive Director
Ong Eng Tiang	Executive Director
Lim Chong Huat	Independent Non-Executive Director
Shamsul Kamar Bin Mohamed Razali (“ <b>Shamsul Kamar</b> ”)	Independent Non-Executive Director
Takehito Hirano	Non-Independent Non-Executive Director

The principal functions of the Board, in addition to carrying out its statutory responsibilities, inter alia, are as follows:

- (i) overseeing and approving strategic formulation of the Group’s overall long-term objectives and directions, taking into consideration sustainability issues, e.g. environmental and social factors;
- (ii) overseeing and reviewing the management of the Group’s business affairs and financial controls, performance and resource allocation, including ensuring that the required financial and human resources are available for the Group to meet its objectives;

# CORPORATE GOVERNANCE REPORT

- (iii) monitoring the performance of Group's management ("**Management**") towards achieving organisational goals;
- (iv) establishing a framework of prudent and effective controls to assess and manage risks and safeguard shareholders' interests and the Group's assets;
- (v) reviewing and evaluating the adequacy and integrity of the Group's internal controls, risk management and financial reporting systems;
- (vi) identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation;
- (vii) considering sustainability issues including environmental and social factors in the formulation of the Group's strategies;
- (viii) setting the Company's values and standards (including ethical standards and code of conduct), and ensuring proper accountability within the Group such that obligations to shareholders and other stakeholders are understood and met;
- (ix) ensuring compliance with the Code, the Companies Act 1967 of Singapore, the Company's Constitution, the Catalist Rules, accounting standards and other relevant statutes and regulations; and
- (x) assuming the responsibilities for corporate governance.

All Directors exercise due diligence and independent judgment and are obliged to act in good faith and in the best interest of the Company, so as to enhance the long-term value of the Group to its shareholders. Each Director is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. Where a potential conflict of interest arises, the Director concerned will recuse himself from discussions and decisions involving the issue of conflict and refrains from exercising any influence over other members of the Board in respect of the issue as well as abstain from participating in any Board decision.

All Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. In line with the Board's enduring commitment to high level of corporate governance, all Directors update the Board on a timely basis, through the Company Secretary, of interest in new companies that were not previously disclosed to the Board. Additionally, at the start of each financial year, all Directors submit a letter to the Company Secretary of all their interest in other companies to be read and acknowledged by the Board.

Newly appointed directors will receive a formal letter explaining their duties and responsibilities and are provided an orientation (including site visits to the Group's principal place of operations) and are briefed on, inter alia, the business operations including industry-specific information relating to the Group's business, governance practices and regulatory requirements of the Group.

# CORPORATE GOVERNANCE REPORT

The Directors are encouraged to constantly keep themselves abreast of the latest developments in regulatory, legal and accounting frameworks that are of relevance to the Group and attend appropriate courses and seminars that will be arranged and funded by the Company. The external auditors, during their presentation of the audit plan annually, will update the Directors on the new or revised financial reporting standards. Regular updates on developments and amendments to the Companies Act, corporate governance and listing rules are circulated by the Sponsor, the Company Secretary and the Company's legal counsel to the Board.

The Directors also attend other appropriate courses and seminars to keep abreast with changes in regulations, financial reporting standards, continuing listing obligations as well as industry-related matters during FY2023. In accordance with Rule 406(3)(a) of the Catalist Rules, the Nominating Committee (“**NC**”) will ensure that any new director appointed by the Board, who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST. During FY2023, Mr. Lim Chong Huat, who has experience as a director of a SGX-ST listed company was appointed to the Board.

In FY2023, briefings and updates provided to the Directors include but not limited to the following:-

- Updates on the developments in financial reporting and governance standards, where relevant, by the external auditors of the Company to the Audit Committee and the Board;
- Updates on business and strategies developments pertaining to the Group's business by the Management to the Non-Executive Directors; and
- Updates on news releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority.

All Board members have completed the mandated sustainability training course as required by the enhanced SGX sustainability reporting rules announced in December 2021.

As part of the Company's continuing education for the Directors, the Management circulates to the Board, articles, reports and press release relevant to the Group's business to keep Directors updated on current industry trends and issues.

Matters specifically reserved for the Board's approval include corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, major corporate actions such as share issuance, share buy-backs, the release of the Group's half-year and full-year results, declaration of dividends and interested person transactions.

To assist in the execution of its responsibilities, the Board has, without abdicating its responsibility, established three Board Committees, comprising an Audit Committee (the “**AC**”), a Nominating Committee (“**NC**”) and a Remuneration Committee (the “**RC**”) (collectively, the “**Board Committees**”). These Board Committees function within clearly defined written terms of reference and operating procedures. The Board accepts that while these Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lie with the Board. The terms of reference and further details of the activities of the Board committees in FY2023 are set out under the respective sections in this Report.

# CORPORATE GOVERNANCE REPORT

The Board meets regularly on a half-yearly basis and ad-hoc Board Committee or Board meetings are convened when they are deemed necessary. The number of Board Committee and Board meetings held in FY2023 and each individual directors' attendance at such meetings is set out below:

Director	No. of Meetings held and attended in FY2023							
	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Danny Lim	2	2	2	2	1	1	1	1
Gary Chin	2	2	–	–	1	1	–	–
Desmond Chin	2	2	–	–	–	–	–	–
Ong Eng Tiang	2	2	–	–	–	–	–	–
Lim Chong Huat <sup>(a)</sup>	1	1	1	1	–	–	–	–
Yau Thiam Hwa <sup>(b)</sup>	1	1	1	1	–	–	1	1
Shamsul Kamar	2	2	2	2	1	1	1	1
Takehito Hirano	2	1	–	–	–	–	–	–

**Notes:**

- (a) Mr. Lim Chong Huat was appointed as an Independent Non-Executive Director of the Company, Chairman of the Audit Committee and member of the Remuneration Committee on 1 June 2023.
- (b) Mr. Yau Thiam Hwa retired as a Director of the Company at the Annual General Meeting (“AGM”) on 28 April 2023. Accordingly, he has relinquished his position as the Chairman of the Audit Committee and a member of the Remuneration Committee.

The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The Management provides the Board with half-yearly accounts, as well as relevant background or explanatory information relating to the matters that would be discussed at the Board meetings, prior to the scheduled meetings. All Directors are also furnished with updates on the financial position and any material developments of the Group as and when necessary. Directors may request to visit the Group's operating facilities and meet with the Management to gain a better understanding of the Group's business operations and corporate governance practices.

The Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating written resolutions. Ad-hoc meetings are also convened whenever circumstances require. The Constitution of the Company provides for Board and Board Committee meetings to be held by way of telephonic and videoconferencing. The Board committees may also make decisions by way of circulating written resolution.

All Directors are required to declare their board appointments. When a Director has multiple board representations, the NC will consider whether the director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. Directors with multiple board representations must ensure that sufficient time and attention are given to the affairs of the Group.

# CORPORATE GOVERNANCE REPORT

The Board (whether individually or as a whole) has separate and independent access to the Management, internal auditors, external auditors and the Company Secretary at all times, and may seek independent professional advice, if necessary, at the expense of the Company. Key management and the Company's auditors are invited to attend Board and Board Committees meetings to update and provide professional advice on specific issues if required. The Company Secretary attends all Board meetings and ensures that all Board procedures are followed. The Company Secretary also ensures that the Company complies with the requirements of the Companies Act 1967 of Singapore, and the Catalist Rules. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

## 2. BOARD COMPOSITION AND GUIDANCE

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

The Board consists of seven Directors, comprising of three Executive Directors, three Independent Directors and one Non-Independent Non-Executive Director. The Independent Directors are Mr. Danny Lim, Mr. Lim Chong Huat and Mr. Shamsul Kamar. Mr. Takehito Hirano is a Non-Independent and Non-Executive Director of the Company.

As set out under the Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. The NC assess and review annually the independence of a Director bearing in mind the salient factors as set out under the Code and Practice Guidance, as well as all other relevant circumstances and facts.

Each Independent Director is required to complete a checklist annually to confirm his independence based on the provisions as set out in the Catalist Rules, the Code and the Practice Guidance. The NC adopts the Code's definition of what constitute an "independent" director in its review. The NC takes into account, among other things, whether a Director has a business relationship with the Company, its related companies and its substantial shareholders, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

For FY2023, the Board considers Mr. Danny Lim, Mr. Lim Chong Huat and Mr. Shamsul Kamar to be independent on the following basis:

- (a) The Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past three financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration on is determined by the RC.
- (b) None of the Independent Directors has served on the Board beyond nine years from the date of first appointment.

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- (c) None of the Independent Directors and their immediate family member had in the current or immediate past financial year (i) provided or received material services or payments aggregated over any financial year in excess of S\$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organization which provided or received payments aggregated over any financial year in excess of S\$200,000 for services rendered.
- (d) None of the Independent Directors are directly associated with a substantial shareholder of the Company.

The independence of each Independent Non-Executive Director is assessed at least annually by the NC. Particular scrutiny is applied in assessing the continued independence of Directors having served beyond nine years from the date of his first appointment, with attention to ensuring their allegiance remains clearly aligned with shareholders' interest. As of the date of this Report, there is no Independent Director who has served for an aggregate period of nine or more years from the date of his first appointment.

The Company has complied with the relevant provisions as the Board is made up of at least one-third of independent directors and a majority of non-executive directors. Hence, the Board and NC are satisfied that the Board is able to exercise independent and objective judgment on corporate affairs and provide the Management with a diverse and objective perspective on issues.

The composition of the Board and Board Committees is reviewed on an annual basis by the NC to ensure that the Board and the Board Committees has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Company's board diversity policy endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents to meet the strategic needs of the business and nature of the environment which the Company operates. This will contribute to the formation of a strong organisation and bring the competitive advantage, robust understanding of opportunities, issues and risks, inclusion of different concepts, ideas and relationships, enhanced decision-making and dialogue, and heightened capacity for oversight of the Company and its governance. In reviewing Board composition and succession planning, the NC considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. The Board is mindful that diversity is not specific to gender or certain personal attributes but would extend to sectorial diversity, diversity as to experience and skills across various disciplines to ensure that diversity would enhance the long-term success of the Group. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.



# CORPORATE GOVERNANCE REPORT

The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

<b>Balance and Diversity of the Board</b>		
	<b>Number of Directors</b>	<b>Proportion of Board (%)</b>
<b>Core Competencies</b>		
- Accounting/Finance/Legal/Corporate governance	6	86
- Industry/Customer based knowledge or experience	6	86
- Strategic planning experience	6	86
<b>Gender</b>		
- Male	7	100
- Female	-	-
<b>Age</b>		
>60	1	14
51-60	5	72
41-50	1	14

The Board as a whole comprises members with core competencies in accounting and finance, legal, business and management experience, industry knowledge, strategic planning and customer-based experience and knowledge. This enables the Management to benefit from the external and expert perspectives of the Directors who constructively challenge key issues and strategies put forth by Management.

The NC, with concurrence of the Board, is of the opinion that the Board's present size and composition to be appropriate for the Company's needs and nature of the operations, with an objective of achieving a good mix and diversity of skills, experiences, gender and knowledge of the business to ensure that the Board will be able to make satisfactory and independent decisions regarding the affairs of the Company.

The Independent Non-Executive Directors participate actively in Board meetings. With their professional expertise and competency in their respective fields in the legal, finance, accounting and commercial sectors, collectively, the Independent Non-Executive Directors provide constructive advice and guidance for effective discharge by the Board of its principal functions over the Group's strategies, businesses and other affairs.

The Non-Executive Directors and/or Independent Directors meet among themselves without the presence of the Management at least once a year. The Independent Directors communicate regularly to discuss matters related to the Group, including, inter alia, the performance of the Management. During FY2023, the Independent Directors, communicated among themselves without the presence of Management as and when the need arose. Where appropriate, the Independent Directors provide feedback to the Board after such meetings.

The profiles of the Directors are set out on pages 10 to 13 of this Annual Report.

### 3. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

Mr. Danny Lim holds the position as Chairman of the Board while Mr. Gary Chin is the Chief Executive Officer (“**CEO**”) of the Company. Both positions are held by separate individuals to ensure an appropriate balance of power, increased accountability and greater capacity for independent decision-making.

The overall role of the Chairman is to lead and ensure the effectiveness of the Board which includes:-

- (a) promoting a culture of openness and debate at the Board;
- (b) facilitating the effective contribution of all directors;
- (c) encouraging constructive relations between the Board and Management as well as between the executive directors and independent directors;
- (d) promoting high standards of corporate governance with full support of the Board, the Management and the Company Secretaries; and
- (e) ensuring effective communication with shareholders.

There is a clear division between the leadership of the Board and the CEO. The CEO is responsible for the day-to-day operations of the Group, as well as to carry out the Board’s decisions. The Chairman and the CEO are not related.

As the Chairman is a separate independent individual, there is no need for a lead independent director to be appointed.

### 4. BOARD MEMBERSHIP

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

The NC is responsible for making recommendations on all board appointments and re-nominations, having regard to the contribution and performance of the Director seeking re-election.

The NC comprises Mr. Danny Lim, Mr. Gary Chin and Mr. Shamsul Kamar. The chairman of the NC is Mr. Shamsul Kamar. A majority of the NC, including the chairman, is independent.

The written terms of reference of the NC have been approved and adopted. The key responsibilities of the NC are:

- (a) review the structure, size and composition (including skills, qualifications, experience and diversity) of the Board and Board Committees and recommend changes, if any, to the Board;

# CORPORATE GOVERNANCE REPORT

- (b) nominate director (including Independent Directors) taking into consideration each Directors' contribution, performance and ability to commit sufficient time, resources and attention to the affairs of our Group including their principal occupation and board representations in other companies;
- (c) review and recommend the appointment and re-appointment of directors (including alternate directors, if applicable);
- (d) determine annually whether or not a director (including alternate director) of the Company is independent having regard to the Code and any other salient factors;
- (e) develop a process for evaluating the effectiveness and performance of the Board and its committees; and propose objective performance criteria, as approved by the Board, that allow comparison with the industry peers (if available) and address how the Board has enhanced long term shareholders' value;
- (f) assess the performance of the Board as a whole and contribution of each director to the effectiveness of the Board;
- (g) recommend the membership of the Board committees to the Board;
- (h) review of succession plans for Board Chairman, Directors, CEO and key management personnel ("**KMP**") of the Company;
- (i) review and decide, in respect of a director who has multiple board representations on various companies, whether or not, such director is able to and has been adequately carrying out his duties as a director, having regard to the competing time commitments that are faced by the director when serving on multiple boards and discharging his duties towards other principal commitments;
- (j) determine and recommend to the Board on the maximum number of listed company board representations which any director may hold;
- (k) review of training programmes for the Board and assist with similar programmes for the Board Committees;
- (l) review and approve any new employment of persons related to the director(s) and substantial shareholder(s), and the proposed terms of their employment;
- (m) keep up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the company and the industry in which it operates; and
- (n) other acts as may be required by the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance from time to time.

Having made its review on an annual basis, taking into consideration the checklist provided by the Independent Directors as mentioned under Principle 2 above, the NC has affirmed that Mr. Danny Lim, Mr. Lim Chong Huat and Mr. Shamsul Kamar have satisfied the criteria for independence. Each of the Independent Directors has also confirmed his independence.

# CORPORATE GOVERNANCE REPORT

The Company do not have a formal criteria of selection for the appointment of new Directors to the Board. When a vacancy arises under any circumstance, either as part of the Board renewal process or where it is considered that the Board would benefit from the services of a new director with particular skills, the NC, in consultation with the Board, will determine the selection criteria and will select candidates with the appropriate expertise and experience for the position. The NC and Board will also consider the principles of the Board Diversity Policy in place during its search for a new Director. In its search and nomination process for new directors, the NC may rely on search companies, personal contacts and recommendations for the right candidates. The NC will make reference checks, meet up with the candidates and assess their suitability prior to making recommendations to the Board. Furthermore, the Board will also conduct thorough checks on candidates' background and experience, especially on any record of public reprimand and criminal record. Shortlisted candidates will then meet up with the other Board members before the Board approves the appointment.

Board appointments are made by the Board after the NC has, upon reviewing the resume of the proposed Director and conducting appropriate interviews, recommended the appointment to the Board and the Board approving the appointment. Pursuant to the Constitution of the Company, each Director is required to retire at least once every three years by rotation, and all newly appointed Directors who are appointed by the Board are required to retire at the next annual general meeting following their appointment. The retiring Directors are eligible to offer themselves for re-election.

The dates of initial appointment together with their directorships in other listed companies and principal commitments, are set out below:

Director	Position	Date of initial appointment	Date of last re-appointment	Current directorships in listed companies	Other Principal Commitments (outside the Group)
Danny Lim	Independent Non-Executive Director & Chairman of the Board	31 December 2019	28 April 2023	<ul style="list-style-type: none"> <li>• Kimly Limited</li> <li>• Stamford Land Corporation Limited</li> <li>• Choo Chiang Holdings Ltd</li> <li>• ValueMax Group Limited</li> </ul>	Rajah & Tann Singapore LLP
Gary Chin	Executive Director and Chief Executive Officer	2 February 2016	29 April 2022	–	–
Desmond Chin	Executive Director	9 June 2016	28 April 2023	–	–
Ong Eng Tiang	Executive Director	9 June 2016	29 April 2022	–	–
Lim Chong Huat	Independent Non-Executive Director	1 June 2023	–	<ul style="list-style-type: none"> <li>• Samurai 2K Aerosol Limited</li> <li>• Sen Yue Holdings Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Coseclinic group of companies</li> <li>• Milant &amp; Associates LLP</li> </ul>

# CORPORATE GOVERNANCE REPORT

Director	Position	Date of initial appointment	Date of last re-appointment	Current directorships in listed companies	Other Principal Commitments (outside the Group)
Shamsul Kamar	Independent Non-Executive Director	1 June 2021	29 April 2022	G.H.Y Culture & Media Holding Co., Limited	<ul style="list-style-type: none"> <li>• Aljunied GRC GROs (Kaki Bukit)</li> <li>• Education Services Union</li> <li>• PAP Community Foundation (PCF Kaki Bukit)</li> <li>• SK Asia Consulting Pte Ltd</li> </ul>
Takehito Hirano	Non-independent Non-Executive Director	16 October 2018	29 April 2022	Fullcast Holdings Co., Ltd. (Listed on Tokyo Stock Exchange)	<ul style="list-style-type: none"> <li>• F-Plain Corporation</li> <li>• Hirano Associates Co., Ltd</li> <li>• D.League.inc</li> <li>• GLOBEAT Japan Inc.</li> </ul>

Mr. Ong Eng Tiang and Mr. Takehito Hirano will retire at the forthcoming annual general meeting (“**AGM**”) pursuant to Regulation 117 of the Company’s Constitution while Mr. Lim Chong Huat will retire pursuant to Regulation 122 of the Company’s Constitution. Mr. Ong Eng Tiang, Mr. Takehito Hirano and Mr. Lim Chong Huat had offered themselves for re-election at the forthcoming AGM. The NC, having considered Mr. Ong Eng Tiang, Mr. Takehito Hirano and Mr. Lim Chong Huat’s overall contribution and performance, had recommended their re-election to the Board and the Board has concurred with the NC’s recommendation. Please refer to the section entitled “**Disclosure of Information on Directors Seeking Re-election**” of this Annual Report for the information as set out in Appendix 7F to the Catalyst Rules.

As explained in Principle 1 above, the Directors are provided a formal letter detailing their duties and responsibilities to the Company. When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. The NC is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company at the Board meetings, Board committees’ meetings and/or discussion sections. The NC is of the view that the matter relating to multiple board representations should be left to the judgement of each Director given that time requirements for different board representations vary. As such, the NC and the Board have decided that there is no necessity to determine the maximum number of listed company board representations which a Director may hold at this point in time.

Each member of the NC has abstained from reviewing and voting on any resolution relating to the assessment of his performance and independence, or his re-nomination as Director, or in any matter where he has an interest.

The Company does not have any alternate Director on Board currently and none of the Directors hold shares in the subsidiaries of the Company.

The key information regarding the Directors are set out on pages 10 to 13 and pages 65 to 76 of this Annual Report.

## 5. BOARD PERFORMANCE

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

The Board's performance is linked to the overall performance of the Group. The Board ensures that the Company is in compliance with the applicable laws, and members of our Board are required to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

On an annual and formal basis, the NC assesses the effectiveness of the Board as a whole and the contribution by each Director (including the Chairman) to the effectiveness of the Board as well as the effectiveness of the Board Committees.

For the financial year under review, each individual Director has completed assessment checklists with a set of proposed performance criteria determined by the NC which includes matters such as the Board's structure, conduct of Board and Board Committee meetings, risk management and internal control, as well as the Board's relationship with the Management. The NC also assesses the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. The completed assessment checklists are submitted to the Company Secretary for collation and the results are presented to the NC for their review. Individual Director's performance through self-assessment and peer review by completing the Individual Director Assessment Checklist and Director Peer Performance Evaluation Forms, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors.

The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

The Board and the NC have endeavoured to ensure that Directors appointed to the Board possess the background, experience, business knowledge, finance and management skills critical to the Group's business. They also ensure that each Director, with his unique skillsets, contributes to the Board by bringing with him an independent and objective perspective of matters to enable balanced and well-considered decisions to be made.

The Company did not engage any external facilitator for the evaluation process during FY2023. Where necessary, the NC will consider such an engagement.

## 6. REMUNERATION MATTERS

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

The RC makes recommendations to the Board on the framework of remuneration, and the specific remuneration packages for each Director. The RC comprises Mr. Danny Lim, Mr. Lim Chong Huat and Mr. Shamsul Kamar all of whom are Independent Non-Executive Directors. The chairman of the RC is Mr. Danny Lim.

# CORPORATE GOVERNANCE REPORT

The terms of reference of the RC have been approved and adopted. The key responsibilities of the RC are:

- (a) recommend to the Board a remuneration policy/framework for the Directors and KMPs;
- (b) recommend to the Board the specific remuneration packages for each director as well as for the KMPs;
- (c) review the remuneration of employees related to the directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- (d) review and consider all aspects of remuneration and remuneration policy for directors and KMPs, including termination terms and payments, to ensure they are fair;
- (e) review the design of all long-term and short-term incentive plans for directors and KMPs for approval by the Board and/or shareholders;
- (f) work and liaise, as necessary, with all other Board Committees on any other matters connected with remuneration;
- (g) keep up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the company and the industry in which it operates; and
- (h) other acts as may be required by the Singapore Exchange Securities Trading Limited and the Code from time to time.

The members of the RC are familiar with executive compensation matters as they manage their own businesses and/or are holding other senior positions and directorships. The RC has access to expert advice regarding executive compensation matters, if required.

The RC's recommendations will be submitted for endorsement by the Board. No member of the RC or any Director is involved in deciding his own remuneration.

The RC review the Company's obligations arising in the event of termination of the Executive Directors and KMP's contracts of services, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous with an aim to be fair and avoid rewarding poor performance.

The RC from time to time and where necessary will seek advice from the external remuneration consultant in framing the remuneration policy and determining the level and mix of remuneration for Directors and KMPs. The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2023. None of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation or any form of benefits to be granted to him.

## 7. LEVEL AND MIX OF REMUNERATION

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

In setting remuneration packages, the RC takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and KMPs. The remuneration package is designed to allow the Company to better align the interests of the Executive Directors and KMPs with those of shareholders and link rewards to corporate and individual performance.

The Non-Executive and Independent Directors receive directors' fees for their effort and time spent, responsibilities and level of contribution to the Board and Board Committees and are subject to shareholders' approval at AGM. The RC also ensures that the Independent Director should not be over-compensated to the extent that their independence is compromised.

The Company has entered into fixed-term service agreements with the Executive Directors, namely Mr. Desmond Chin, Mr. Gary Chin and Mr. Ong Eng Tiang. The service agreements are valid for an initial period of three years with effect from the date of admission of the Company to the Catalist. Subsequent to the expiry of the initial period of three years, the employment of Mr. Desmond Chin, Mr. Gary Chin and Mr. Ong Eng Tiang have been renewed for three years from 1 July 2022 on such terms and conditions as the parties agreed in writing. Following the period of three years, either party may terminate the service agreements at any time by giving the other party not less than six months' notice in writing.

The Company has also entered into separate employment contracts with the KMPs which provides for remuneration payable to them, annual leave entitlement and termination arrangements.

Remuneration for the Executive Directors comprises a basic salary component as well as fixed and variable incentive bonus component that is based on the performance of the Group as a whole and the ability to meet certain profit targets. KMPs are paid basic salary and performance bonus is based on a yearly appraisal. All revisions to the remuneration packages for the Directors and KMPs are subjected to the review by and approval of the RC and the Board. Directors' fees are further subjected to the approval of the shareholders at the AGM. For 2024, directors' fee of S\$149,000, payable quarterly in arrears is recommended by the Board and is subject to the approval of shareholders at the forthcoming AGM of the Company.

Both the Advancer Global Employee Share Option Scheme (the "**Advancer Global ESOS**") and Advancer Global Performance Share Plan (the "**Advancer Global PSP**") form an integral component of the compensation plan and are designed primarily to reward and retain the Executive Directors, Non-Executive Directors (including the Independent Directors) and employees whose services are vital to Group's well-being and success. The RC is responsible for administering the Company's Advancer Global ESOS and Advancer Global PSP.



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## 8. DISCLOSURE ON REMUNERATION

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

The Board is of the view that full disclosure of the specific remuneration of each individual Director and the CEO is not in the best interests of the Company, taking into account the sensitive nature of the subject, the highly competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group, and that the current disclosure on a named basis and in bands of S\$250,000 including the provision of a breakdown in percentage terms is sufficient.

The Company only has 2 KMPs (who are not Directors or the CEO) during FY2023 and their remuneration is disclosed in bands of S\$250,000.

The level and mix of remuneration paid or payable to the Directors and KMPs for FY2023 are set out as follows:

Remuneration Bands	Salary & CPF %	Bonus & CPF %	Director's Fee <sup>(1)</sup> %	Other Benefits %	Total %
<b>Directors</b>					
<b>S\$250,000 to below S\$500,000</b>					
Gary Chin	80	20	–	–	100
Ong Eng Tiang	80	20	–	–	100
Desmond Chin	80	20	–	–	100
<b>Below S\$250,000</b>					
Danny Lim	–	–	100	–	100
Lim Chong Huat	–	–	100	–	100
Takehito Hirano	–	–	100	–	100
Shamsul Kamar	–	–	100	–	100
<b>Key Management</b>					
<b>S\$250,000 to below S\$500,000</b>					
Francis Chin	92	8	–	–	100
<b>Below S\$250,000</b>					
Li Ying <sup>(2)</sup>	100	–	–	–	100
Kelvin Tong <sup>(3)</sup>	91	9	–	–	100

Note:

- (1) Directors' fees have been approved by the shareholders of the Company at the AGM held on 28 April 2023.
- (2) Ms. Li Ying resigned and ceased being the Chief Financial Officer of the Company on 31 January 2023.
- (3) Mr. Kelvin Tong was appointed as the Chief Financial Officer of the Company on 1 February 2023.

The aggregate remuneration paid to the KMPs of the Company (who are not Directors or CEO) in FY2023 amounted to approximately S\$456,093.

There are no termination, retirement or post-employment benefits that are granted to the Directors, CEO and the KMPs of the Group.

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Save as disclosed below, there were no employees of the Company who are substantial shareholders or are immediate family members of any Director, the CEO or a substantial shareholder and whose remuneration exceeded S\$100,000 during FY2023.

<b>Remuneration Bands</b>	<b>Salary &amp; CPF %</b>	<b>Bonus &amp; CPF %</b>	<b>Total %</b>
<b>\$S\$200,000 to \$S\$300,000</b>			
Francis Chin <sup>(1)</sup>	92	8	100
<b>\$100,000 to \$200,000</b>			
Chin Chwee Hwa <sup>(1)</sup>	93	7	100
Chin Yin Yee, Stanley <sup>(2)</sup>	90	10	100

**Note:**

- (1) Francis Chin and Chin Chwee Hwa are the siblings of Desmond Chin (Executive Director and substantial shareholder) and Gary Chin (Executive Director, CEO and substantial shareholder). Francis Chin is Head of Employment Services while Chin Chwee Hwa is a director at World Clean Facilities Services Pte. Ltd..
- (2) Chin Yin Yee, Stanley is the son of Chin Chwee Hwa and nephew of Desmond Chin (Executive Director and substantial shareholder) and Gary Chin (Executive Director, CEO and substantial shareholder). Chin Yin Yee, Stanley is the Head of Business Development at SRE Global Pte. Ltd.

The Company had adopted the Advancer Global ESOS and Advancer Global PSP. The RC's duties include the administration of the Advancer Global ESOS and Advancer Global PSP.

The aggregate number of shares or options over which the RC may grant on any date, when added to the number of shares issued and issuable or transferred and to be transferred in respect of all options granted under the Advancer Global ESOS and the number of shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of our Company, including the Advancer Global PSP, shall not exceed 15% of the total number of issued shares (excluding shares held by our Company as treasury shares and subsidiary holdings) on the day immediately preceding the date on which an offer to grant an option is made.

The exercise price of the options shall be fixed by the RC at:

- (a) the Market Price (as defined below); or
- (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the RC in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the Market Price in respect of that option.

Market Price is the average of the last dealt prices for a share determined by reference to the daily Official List published by the SGX-ST for a period of 5 consecutive market days immediately prior to the relevant offer date provided always that in the case of a market day on which the shares are not traded on the SGX-ST, the last dealt price for shares on such market day shall be deemed to be the last dealt price of the shares on the immediately preceding market day on which the shares were traded.

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As at the date of this Report, there were no outstanding share options granted to employees (not being a director or substantial shareholder).

Since the commencement of the Advancer Global ESOS, there were no share options granted to the Directors, controlling shareholders and their associates, nor did any participant receive 5% or more of the total number of options available under the Advancer Global ESOS.

Under the Advancer Global PSP, the maximum number of shares issuable or to be transferred by our Company pursuant to awards granted under the Advancer Global PSP on any date, when aggregated with the aggregate number of shares over which options or awards are granted under any other share option schemes or share schemes of our Company, will be 15% of our Company's total number of issued shares (excluding shares held by our Company as treasury shares and subsidiary holdings) on the day preceding that date. No share awards have been issued since the commencement of the Advancer Global PSP to date.

## 9. RISK MANAGEMENT AND INTERNAL CONTROLS

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interest of the company and its shareholders.**

The Board acknowledges that it is responsible for the overall internal control framework but recognises that no cost-effective control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems and reviews the adequacy and effectiveness of such systems at least annually.

The AC has appointed CLA Global TS Risk Advisory Pte. Ltd. ("**CLA Global TS**") as internal auditors ("**IA**") to perform a review of the internal controls of the Group in accordance with the Standards for the Professional Practice of Internal Auditing laid down by the International Professional Practices Framework issued by the Institute of Internal Auditors. For FY2023, the internal audit review focused on the Group's sales, procurement, cash and bank management for the managing agent business as well as sustainability reporting processes. No high risk items were noted in the review. The findings from the review performed by the IA, including any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the AC and the Board. Timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored by the AC. CLA Global TS is part of CLA Global, which currently ranks among the top 15 global accounting and advisory organizations in the world. CLA Global TS possesses vast experience in providing internal audits, risk management services and advisory services in the region. The current engagement team assigned comprises 3 members and is led by the engagement director who is a Chartered Accountant (Singapore), a member of the Institute of Internal Auditors (Singapore) and has more than 12 years of experience performing internal audits for listed companies. Taking into account the above, the AC is of the view that the IA function is independent, effective and adequately resourced.

# CORPORATE GOVERNANCE REPORT

The Board and the AC work closely with the IA, external auditors and the Management to institute, execute and monitor relevant controls with a view to enhance the Group's risk management system. Having considered the scale of the Group's operation and current existing risk management and internal control system, the Board is of the view that no separate Board risk committee is required for the time being as the Board is currently assisted by the AC, internal and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies.

The Board has received assurance from (a) the CEO and the Chief Financial Officer (“**CFO**”) that the financial records have been properly maintained and the financial statements for the financial year ended 31 December 2023 give a true and fair view of the Company's operations and finances; and (b) the CEO, Executive Directors and the CFO that the Company's risk management and internal control systems in place is adequate and effective in addressing the material risks in the Company in its current business environment including material financial, operational, compliance and information technology controls, and risk management systems.

Based on the assurance from the CEO, Executive Directors and CFO referred to in the preceding paragraph, the various internal controls put in place by the Group, the work performed and reports submitted by the internal auditors of the Group and the reviews carried out by the Board and the AC, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal control systems of the Group, addressing financial, operational, compliance and information technology controls, were adequate and effective as at 31 December 2023.

An overview of the key risks, the extent of the Group's exposure and the approach to managing these risks are set out on pages 152 to 165 of the Annual Report.

## 10. AUDIT COMMITTEE

### **Principle 10: The Board has an Audit Committee which discharges its duties objectively.**

The AC comprises Mr. Lim Chong Huat, Mr. Shamsul Kamar and Mr. Danny Lim, all of whom are Independent Non-Executive Directors. The chairman of the AC is Mr. Lim Chong Huat. No former partner or Director of the Company's existing audit firm or auditing corporation is a member of the AC and none of them have financial interest in the Company's existing auditing or auditing corporation. The members of the AC have sufficient accounting or financial management expertise, as interpreted by the Board in its business judgment, to discharge the AC's functions.

The written terms of reference of the AC have been approved and adopted. The key responsibilities of the AC include:

- (a) review with the external auditors the audit plans, their evaluation of the system of internal controls, their audit report, their management letter and the management's response thereto;
- (b) review with the internal auditors the internal audit plans, which includes a review of the interested person transactions including the guidelines and procedures for the monitoring of all such transactions, and their evaluation of the adequacy of our internal control (including the effectiveness of the procedures in relation to compliance with the rules and regulations applicable to the Group's operations), accounting system and the management's response before submission of the results of such review to the Board for approval prior to the incorporation of such results in the Company's annual report (where necessary);

# CORPORATE GOVERNANCE REPORT

- (c) review the half yearly and annual consolidated financial statements and any formal announcements relating to the Group's financial performance, and discuss on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, significant reporting issues and judgements, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of management to ensure the integrity of the consolidated financial statements and the announcements relating the Group's financial performance, where necessary, before submission to the Board for approval;
- (d) review the internal control and procedures and ensure co-ordination between the external and internal auditors and the Management, and review the assistance given by the Management to the auditors, and discuss problems and concerns, and any matters which the auditors may wish to discuss in the absence of the Management, where necessary;
- (e) review and report to the Board at least annually on the adequacy and effectiveness of the Company's risk management and internal controls;
- (f) review and discuss with the external and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
- (g) review the independence and objectivity of the external and internal auditors, taking into account the non-audit services provided by them, as well as consider the appointment or re-appointment of the external and internal auditors and matters relating to resignation or dismissal of the auditors, including approving the remuneration and terms of engagement of the external and internal auditors;
- (h) make recommendations to the Board on the proposals to the Shareholders with regard to the appointment, re-appointment and removal of external and internal auditors, and approve the remuneration and terms of engagement of the auditors;
- (i) review all interested person transactions and determine methods or procedures for checking that the transaction prices are adequate for transactions to be carried out on normal commercial terms, and that they will not prejudice the company or its minority shareholders.
- (j) review potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interest;
- (k) review key financial risk areas and key audit matters, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNet;
- (l) review all hedging policies and instruments, if any, to be implemented by the Group;
- (m) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

# CORPORATE GOVERNANCE REPORT

- (n) review the policy and procedures by which the employees may, in confidence, raise concerns to the chairman of the AC on possible improprieties in matters of financial reporting or other matters, and ensure that there are arrangements in place for the independent investigations of such matter and for appropriate follow-up in relation thereto;
- (o) review the Company's programmes and policies to identify and prevent fraud as well as work with management to oversee the establishment of appropriate controls and anti-fraud programmes;
- (p) review and discuss with investigators, any suspected fraud, irregularity, or failure of internal controls or suspected infringement of any relevant laws, rules or regulations of the jurisdictions in which the Group operates, which has or is likely to have a material impact on our Group's operating results or financial position, and our Management's response thereto;
- (q) review the adequacy and effectiveness of the risk management and internal control (including financial, operational, compliance and information technology controls), and states whether the AC concurs with the Board's comment on adequacy and effectiveness of the company's internal controls and risk management systems. These may include reviewing management and/or assurance provider reports to highlight significant findings and recommendations, including management's responses;
- (r) review the assurance provided by the CEO and CFO on the financial records and financial statements;
- (s) review the assurance provided by the CEO and other KMPs on the effectiveness of risk management and internal controls; and
- (t) review of Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, including such amendments made thereto from time to time.

The AC has full authority to investigate any matter within its terms of reference, full access to and cooperation from the Management, and full discretion to invite any Director, executive officer or other employee of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

During FY2023, the external auditors and internal auditors were invited to attend the AC meetings to present their audit plan and audit findings report to the AC. The AC has met with the external and internal auditors without the presence of the Management, once during FY2023.

The external auditors update the AC on any changes in accounting standards impacting the financial statements of the Group before an audit commences. Significant matter that was discussed with the Management and the external auditors has been included as key audit matter as set out in the Auditors' Report for FY2023.

# CORPORATE GOVERNANCE REPORT

The following key audit matter was discussed between external auditors and Management, and reviewed by the AC.

Key Audit Matter	How the AC reviewed these matters and what decisions were made
Impairment Assessment on Goodwill	The AC has considered and is satisfied with the approach and methodology applied to the valuation model in goodwill impairment assessment. The external auditors shared their approach to the impairment review as part of their presentation of the detailed audit plan and final audit findings. The impairment review is an area of focus for the external auditors. The external auditors has included it as a key audit matter in the independent auditors' report for the financial year ended 31 December 2023. Please refer to page 83 of this Annual Report.

The fees paid and payable by the Company to the external auditors, Mazars LLP in FY2023 for audit and non-audit services amounted to S\$287,000 and S\$51,000 respectively. The AC, having undertaken a review of all non-audit services provided by the external auditors which relate to taxation services and financial due diligence services provided to the Group, is of the opinion that such services would not affect the independence of the external auditors. In reviewing the nomination of Mazars LLP for reappointment for the financial year ending 31 December 2024, the AC and the Board are satisfied with the standard and quality of work performed by Mazars LLP and have recommended the nomination of Mazars LLP for reappointment as external auditors of the Company for the ensuing year be tabled for shareholders' approval at the forthcoming AGM.

The Company has complied with Rules 712 and 715 of the Catalist Rules in relation to its external auditors for FY2023.

The AC reviewed the financial statements of the Group and the Company before submitting them to the Board for its approval and the announcement of the financial results. The AC also reviewed and monitored the Group's and the Company's financial condition, internal and external audits, and the effectiveness of the Group's and the Company's system of accounting and internal controls.

The internal auditors report directly to the AC. The AC approves the engagement, removal, evaluation and compensation of the internal auditors. The internal auditors has full access to the Company's documents, records, properties and personnel. The AC is satisfied that the internal audit firm is staffed by suitably qualified and experienced persons. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit.

The Group has put in place a whistle blowing framework, endorsed by the AC, which provides the mechanisms where employees may, in confidence, raise concerns or observations about possible corporate malpractices and improprieties in financial reporting or other matters directly to Mr. Lim Chong Huat, Chairman of the AC. Details of the whistle blowing policies, together with the dedicated whistle blowing communication channels (such as email address and telephone contacts) have been made available to all employees. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action and provides assurance that employees will be protected from reprisal within the limits of the law or victimisation for whistle blowing in good faith. Anonymous reporting will also be attended to and anonymity honoured.

# CORPORATE GOVERNANCE REPORT

The whistle blowing policy and procedures are reviewed by the AC from time to time to ensure that they remain relevant.

The AC reports to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

There was no reported incident pertaining to whistle blowing during FY2023 and until the date of this Annual Report.

## 11. SHAREHOLDERS RIGHTS AND CONDUCT OF GENERAL MEETINGS

**Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

The Board strongly encourages shareholders to participate in and vote at general meetings. Shareholders are informed on a timely basis of general meetings through notices published in the newspapers and through reports or circulars sent to all shareholders.

The Company tables separate resolutions at general meetings on each distinct issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are “**bundled**”, the Company explains the reasons and material implications in the notice of meeting. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation or circular in respect of the proposed resolution. A proxy form is sent with the notice of general meeting to the shareholders. The resolutions will be put to vote by poll and an announcement of the results showing the number of votes cast for and against each resolution and the respective percentages for general meetings will be made subsequent to the meeting.

The Company encourages shareholders' participation at general meetings and all shareholders are given the opportunity to voice their views and to direct queries regarding the Group to Directors, including the chairman of each of the Board Committees. All Directors and the Company's external auditors were present at the last AGM held on 28 April 2023.

The Constitution of the Company currently allows a member of the Company who is not a relevant intermediary to appoint up to two proxies and for a member who is a relevant intermediary to appoint more than two proxies to attend and vote at general meetings.

For the upcoming AGM, voting at the AGM is either in-person or by proxy. Shareholders who wish to vote on any or all of the resolutions at the AGM by proxy, may appoint the Chairman of the Meeting or their designated proxies as their proxy at the AGM by completing the proxy form for the AGM, and submitted the proxy form by post or by email to the Company seventy-two (72) hours before the AGM.

For the time being, the Company has decided not to allow for absentia voting methods such as by mail, email and fax at the general meetings due to concerns over the authentication of shareholders' identity. Voting in absentia by mail, email or fax will only be permitted when the security, integrity and other pertinent issues are satisfactorily resolved.



# CORPORATE GOVERNANCE REPORT

The minutes of general meetings of shareholders recording substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting and responses from the Board and Management are available on the Company's website. In compliance with the requirements stipulated in the Order 2020, the Company will publish the minutes of the AGM on SGXNet within one (1) month from the date the AGM is held.

The Company currently does not have a formal dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, financial position, capital needs, plans for future growth, working capital and other factors as the Board may deem appropriate. No dividend has been declared or recommended for FY2023 in view of the current economic uncertainties.

## 12. ENGAGEMENT WITH SHAREHOLDERS

**Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable due to confidentiality reasons. The Company does not practice preferential and selective disclosure to any group of shareholders.

The Company has its internal corporate affairs team, who facilitates communications with shareholders and analysts, attend to their queries or concerns and keep them apprised of the Group's corporate developments and financial performance. The enquiries can be posted through the Company's website <https://advancer.sg/contact-us/>.

## 13. ENGAGEMENT WITH STAKEHOLDERS

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

The Group has made efforts to seek the opinions of many stakeholders either through informal or formal means by evaluating the needs and expectations of key stakeholder groups which are significant to the Group's value creation strategy and strive to build mutually beneficial relationships.

The Group has identified diverse stakeholder groups based on their level of influence in the business and also regularly engage and consult all stakeholder groups for any feedback and suggestions. Where appropriate and relevant to the business, the Company will incorporate their feedback into the Group's plans and actions.

General information on the Group such as annual reports, financial results, news releases and investor relations contacts are provided in the Company's website.

For more information on the Company's stakeholder engagement, please refer to the Company's Sustainability Report on pages 17 to 38 of the Annual Report.

# CORPORATE GOVERNANCE REPORT

## DEALINGS IN SECURITIES

In compliance with the Catalist Rules on dealings in securities, Directors and employees of the Company are advised not to deal in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company shall not deal in and prohibits dealings in its shares by its Directors, officers and employees of the Group, who are in possession of unpublished price sensitive information, during the period commencing one month before the announcement of the Company's half-year and full-year financial statements, and ending on the date of the announcement of the results.

## INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC, and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

During FY2023, the Group entered into the following interested party transaction ("IPT(s)"):

<b>Name of interested person</b>	<b>Nature of relationship</b>	<b>Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</b>	<b>Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</b>
D8 Management Pte. Ltd.	An investment holding company incorporated in Singapore owned by Mr. Chin Mei Yang (23.3%) (CEO and Executive Director of the Company, Dr. Chin Mui Hiong (23.4%) (Executive Director of the Company), Mr. Ong Eng Tiang (20.0%) (Executive Director of the Company) and Mr. Chin Swee Siew @ Chen Yin Siew (23.3%) (Controlling Shareholder of the Company)	S\$840,000	Nil

On 29 May 2023, the Group acquired a leasehold property from D8 Management Pte. Ltd. ("D8") for S\$840,000. The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in respect of the acquisition amount to less than 5%. The Group does not have a general mandate pursuant to Rule 920 of the Catalist Rules for interested person transactions.

# CORPORATE GOVERNANCE REPORT

## MATERIAL CONTRACT

There were no material contracts of the Group involving the interests of the CEO, each Director or controlling shareholder, either still subsisting at the end of FY2023 or if not then subsisting except for Directors' remuneration as disclosed in the Financial Statements in this Annual Report.

## NON-SPONSOR FEES

For FY2023, no non-sponsor fees were paid to its sponsor, SAC Capital Private Limited.

## USE OF NET SUBSCRIPTION PROCEEDS

As at the date of this Report, the utilisation of the net subscription proceeds from the Company's issue and allotment of 65,000,000 make subscription shares on 31 August 2018 is set out as below:

	Amount allocated S\$ million	Amount utilised S\$ million	Balance S\$ million
Expansion of business operations	12.30	(6.29)	6.01
General corporate and working capital purposes of the Group, mainly to support administrative and operational expenses (Note (a))	5.44	(5.44)	–
Investment in money market instruments and/or quoted securities	4.00	(2.08)	1.92
	21.74	(13.81)	7.93

### Note:

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

	S\$'000
Professional and listing related expenses	1,112
Administrative expenses – staff costs	682
Administrative expenses – others	93
Purchase of inventory for a subsidiary	170
Repayment of loan incurred by a subsidiary	300
Advances to subsidiaries for operational expenses	3,083
	5,440

**DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION**

Mr. Ong Eng Tiang, Mr. Takehito Hirano and Mr. Lim Chong Huat are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened and held on 30 April 2024 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(6) of the Catalyst Rules of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7F of the Catalyst Rules of the SGX-ST are disclosed below:

	<b>MR. ONG ENG TIANG</b>	<b>MR. TAKEHITO HIRANO</b>	<b>MR. LIM CHONG HUAT</b>
Date of Appointment	9 June 2016	16 October 2018	1 June 2023
Date of last re-appointment	29 April 2022	29 April 2022	N.A.
Age	56	62	54
Country of principal residence	Singapore	Japan	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the contribution, experience, diversity of skillsets and commitment in the discharge of duties of Mr Ong Eng Tiang (“Mr. Ong”) as Executive Director of the Company and concluded that Mr. Ong possesses the experience, expertise, knowledge towards the core competencies of the Board and is suitable for re-election as the Executive Director of the Company.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the contribution, expertise, experience, diversity of skillsets and commitment in the discharge of duties of Mr Hirano (“Mr. Hirano”) as Non-Independent Non-Executive Director of the Company and concluded that Mr. Hirano possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and is suitable for re-election as the Non-Independent Non-Executive Director of the Company.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the contribution, expertise, experience, diversity of skillsets, independence and commitment in the discharge of duties of Mr Lim Chong Huat (“Mr. Lim”) as Independent Non-Executive Director of the Company and concluded that Mr. Lim possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board and is suitable for re-election as the Independent Director of the Company.

# CORPORATE GOVERNANCE REPORT

	<b>MR. ONG ENG TIANG</b>	<b>MR. TAKEHITO HIRANO</b>	<b>MR. LIM CHONG HUAT</b>
Whether appointment is executive, and if so, the area of responsibility	Executive Mr. Ong is responsible for heading the Facilities Management Services division of the Group as well as overseeing daily operations, including marketing strategies and manpower deployment of the facilities management businesses.	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC member etc.)	Executive Director	Non-Independent Non-Executive Director	Independent Non-Executive Director Chairman of the Audit Committee and member of the Remuneration Committee
Professional qualifications	Bachelor of Business Administration from the University of Winconsin-Madison, United States of America	Bachelor of Economics from Kanagawa University, Kanagawa, Japan	Bachelor of Accountancy from Nanyang Technological University Chartered Accountant, Institute of Singapore Chartered Accountants Public Accountant, Accounting and Corporate Regulatory Authority Accredited Tax Practitioner (Income Tax and GST), Singapore Chartered Tax Professionals Senior Accredited Director, Singapore Institute of Directors

# CORPORATE GOVERNANCE REPORT

Working experience and occupation(s) during the past 10 years	<p><b>MR. ONG ENG TIANG</b></p> <p><u>March 2001 to May 2016:</u> General Manager of First Stewards Private Limited (director of First Stewards Private Limited from 2 August 2004 to 28 March 2006)</p> <p><u>February 2015 to October 2020:</u> Director of Advancer Smart Technology Pte. Ltd.</p> <p><u>November 2011 to April 2023:</u> Director of KH Security Agency Pte. Ltd.</p> <p><u>May 2016 to present:</u> Director of Advancer Global Facility Pte. Ltd.</p> <p><u>June 2016 to present:</u> Executive Director of Advancer Global Limited</p>	<p><b>MR. TAKEHITO HIRANO</b></p> <p>F-PLAIN Corporation</p> <ul style="list-style-type: none"> <li>- Representative Director and Chairman: April 2017 to present</li> <li>- Representative Director: July 2006 to April 2017</li> </ul> <p>Fullcast Holdings Co., Ltd. (“<b>Fullcast</b>”)</p> <ul style="list-style-type: none"> <li>- Director and Chairman: March 2015 to present</li> <li>- Director and Senior Advisor: December 2009 to March 2015</li> </ul> <p><u>February 2020 to present:</u> Chief Executive Officer of D.LEAGUE.inc</p> <p><u>June 2023 to present:</u> Representative Director and Chairman of GLOBEAT JAPAN Inc.</p>	<p><b>MR. LIM CHONG HUAT</b></p> <p><u>1997 to present:</u> Sole-proprietor of Everich Management Services</p> <p><u>2016 to present:</u> Director of Coseclinic Services Pte Ltd</p> <p><u>2002 to present:</u> Sole-proprietor of Lim CH &amp; Associates</p> <p><u>2008 to present:</u> Partner of Milant &amp; Associates LLP</p> <p><u>2019 to present:</u> Non-Executive Independent Director of Samurai 2K Aerosol Limited</p> <p><u>2020 to present:</u> Director of Matrix Audit Alliance PAC</p> <p><u>2024 to present:</u> Non-Executive and Lead Independent Director and Audit Committee Chairman of Sen Yue Holdings Limited</p>	Direct interest: 25,000 shares
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 19,985,436 shares	Deemed interest: 65,000,000 shares held by Fullcast in the Company		

# CORPORATE GOVERNANCE REPORT

	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. LIM CHONG HUAT
Any relationship (including immediate family relationships) with any existing director, executive officer, the issue and/or substantial shareholder of the listed issue or of any of its principal subsidiaries	No	Mr. Hirano and his family have 100% ordinary shares in Hirano Associates Co., Ltd. (of which Mr. Hirano himself holds 18.04% of its ordinary shares). Hirano Associates Co., Ltd. holds 36.35% ordinary shares in Fullcast which in turn holds 25.88% of Advancer Global Limited. In addition, Mr. Hirano is a director and chairman of Fullcast.	No
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments including Directorships			
Past (for the last 5 years)	Mengna & Co. Pte. Ltd. (struck off) Advancer Smart Technology Pte. Ltd. ET & MC Pte. Ltd. (struck off) Patrick View Development Pte Ltd (struck off) KH Security Agency Pte. Ltd. (struck off)	-	G & H Online Pte Ltd Kouso Bio Trading Pte Ltd Wealthy Eight Pte Ltd H2 & ML Jason Pte Ltd IJIM Bruxism Care Pte Ltd Bizwiz Advisors Pte Ltd Healthy Care International Pte Ltd

	<b>MR. ONG ENG TIANG</b>	<b>MR. TAKEHITO HIRANO</b>	<b>MR. LIM CHONG HUAT</b>
Present	Advancer Global Facility Pte. Ltd.	Fullcast Holdings Co., Ltd. F-PLAIN Corporation D.LEAGUE.inc GLOBEAT JAPAN Inc.	Coseclinic (East) Pte Ltd Coseclinic Ebiz Pte Ltd De Northstar Pte Ltd Coseclinic Services Pte Ltd Coseclinic Weath Creations Pte Ltd Everich Management Services Lim CH & Associates Matrix Audit Alliance PAC Milant & Associates LLP Samurai 2K Aerosol Limited Sen Yue Holdings Limited
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No



# CORPORATE GOVERNANCE REPORT

	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. LIM CHONG HUAT
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. LIM CHONG HUAT
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

# CORPORATE GOVERNANCE REPORT

	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. LIM CHONG HUAT
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

# CORPORATE GOVERNANCE REPORT

	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. LIM CHONG HUAT
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(ii) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: <ul style="list-style-type: none"> <li>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</li> </ul>	<p>Yes</p> <p>(Please refer to page 210 and 211 of the Company's Offer Document dated 30 June 2016)</p>	<p>Yes</p> <p>1. Fullcast received orders on 3 August 2007 by the Tokyo Labor Bureau to suspend its worker dispatching business and to improve its worker dispatching operations, on the grounds that it has violated the Law for Securing the Proper Operations of Worker Dispatching undertakings and Improved Working Conditions for Dispatched Workers. In response, Fullcast implemented disciplinary actions against the people involved, including directors and executive of control systems.</p>	No

# CORPORATE GOVERNANCE REPORT

	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. LIM CHONG HUAT
		<p>2. On 3 October 2008, additional sanctions were imposed on Fullcast by the Tokyo Labor Bureau to suspend its worker dispatching business for a month (from 10 October 2008 to 9 November 2008) and to improve its worker dispatching operations due to violation of the earlier suspension order issued on 3 August 2007.</p> <p>Subsequent to the lifting of the one month suspension, on 16 January 2009, Fullcast announced the completion of the improvements required under the operational improvement order.</p> <p>The above incidences were publicly disclosed through Fullcast's press releases and all suspension orders and improvements have been concluded with no recurrence of lapses.</p>	

# CORPORATE GOVERNANCE REPORT

	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. LIM CHONG HUAT
<p>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p>	No	No	No

# CORPORATE GOVERNANCE REPORT

	MR. ONG ENG TIANG	MR. TAKEHITO HIRANO	MR. LIM CHONG HUAT
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

# DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Advancer Global Limited (the “Company”) and its subsidiaries (collectively, the “Group”) for the financial year ended 31 December 2023 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2023.

## 1. Opinion of the directors

In the opinion of the directors,

- (i) the financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. Directors

The directors of the Company in office at the date of this statement are:

### Executive directors

Chin Mei Yang (Chief Executive Officer)  
Chin Mui Hiong  
Ong Eng Tiang

### Non-independent non-executive director

Takehito Hirano

### Independent non-executive directors

Lim Teck Chai, Danny (Non-Executive Chairman)  
Shamsul Kamar Bin Mohamed Razali  
Lim Chong Huat (Appointed on 1 June 2023)

## 3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.



# DIRECTORS' STATEMENT

## 4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as disclosed below:

	<u>Direct interest</u>		<u>Deemed interest</u>	
	<u>As at 1 January 2023 / At date of appointment</u>	<u>As at 31 December 2023</u>	<u>As at 1 January 2023</u>	<u>As at 31 December 2023</u>
<b><u>The Company</u></b>				
<b><u>Ordinary shares</u></b>				
Chin Mei Yang	30,931,018	30,931,018	–	–
Chin Mui Hiong	37,573,963	37,573,963	–	–
Ong Eng Tiang	19,985,436	19,985,436	–	–
Lim Chong Huat	25,000	25,000	–	–
Lim Teck Chai, Danny	–	–	642,500	642,500
Takehito Hirano	–	–	65,000,000	65,000,000

Takehito Hirano and his family hold 100% ordinary shares in Hirano Associates Co., Ltd. (of which Takehito Hirano himself holds 18.04% ordinary shares). In addition, Takehito Hirano is a director and the chairman of Fullcast Holdings Co., Ltd.. Hirano Associates Co., Ltd. holds 36.35% ordinary shares in Fullcast Holdings Co., Ltd., which in turn holds 25.88% ordinary shares of Advancer Global Limited (excluding treasury shares) as at 31 December 2023. Hence, Takehito Hirano and Hirano Associates Co., Ltd. are deemed interested in the 65,000,000 shares held by Fullcast Holdings Co., Ltd. in the Company by virtue of Section 7 of the Act.

Lim Teck Chai, Danny holds 642,500 shares of Advancer Global Limited through iFast Financial Pte. Ltd. (a nominee). Hence, Lim Teck Chai, Danny is deemed to have an interest in the 642,500 shares held by custodian, iFast Financial Pte. Ltd. in the Company by virtue of Section 7 of the Act.

The directors' interests in the shares of the Company on 21 January 2024 were the same as at 31 December 2023.

## 5. Advancer Global Employee Share Option Scheme

The Employee Share Option Scheme (the "ESOS") of the Company was approved and adopted on 6 June 2016. The ESOS is administered by the Company's Remuneration Committee, which comprises three independent directors:

Lim Teck Chai, Danny (Chairman)  
 Lim Chong Huat  
 Shamsul Kamar Bin Mohamed Razali

The ESOS entitles the option holder to subscribe for a specific number of ordinary shares in the Company at a subscription price per share determined with reference to the market price of the share at the time of grant of option.

## 5. Advancer Global Employee Share Option Scheme (Continued)

Other information regarding the ESOS is set out below:

- (i) Group employees (including Directors of the Company) who have attained the age of 21 years and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have been in the employment of the Group for a period of at least 12 months, or such shorter period as the Remuneration Committee may determine, are eligible to participate in the ESOS.
- (ii) The maximum discount shall not exceed 20% of the market price on the date of the grant of the options.
- (iii) The options granted with the exercise price set at market price should only be exercised after the first anniversary from the grant date and before the tenth anniversary of the grant date.
- (iv) The option granted with exercise price set at a discount to market price should only be exercised after the second anniversary from the grant date and before the tenth anniversary of the grant date.
- (v) The option shall immediately lapse and become null and void when the participant cease to be in employment of the Group.
- (vi) All options are settled by delivery of shares.

There is no outstanding or exercisable options during the financial year.

Since the commencement of the ESOS, no options have been granted to the controlling shareholders and directors of the Company or their associates and no participants under the ESOS have been granted 5% or more of the total number of options available under the ESOS.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

## 6. Audit Committee

The Audit Committee (“AC”) of the Company comprises three independent non-executive directors and at the date of this report, they are:

Lim Chong Huat (Chairman)  
Shamsul Kamar Bin Mohamed Razali  
Lim Teck Chai, Danny

The AC has convened two meetings during the financial year with key management and the internal and external auditors of the Company.

# DIRECTORS' STATEMENT

## 6. Audit Committee (Continued)

The AC carried out its functions in accordance with Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the AC:

- (i) reviewed the audit plan and results of the external audit, the independence and objectivity of the external auditors, including, where applicable, the review of the nature and extent of non-audit services provided by the external auditors to the Group, and the assistance given by the Group's and the Company's management to the external auditors;
- (ii) reviewed the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls, and the assistance given by the Group's and the Company's management to the internal auditors;
- (iii) reviewed the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the Board of Directors;
- (iv) reviewed the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company including significant adjustments resulting from audit, significant financial reporting issues and judgements as well as compliance with accounting standards;
- (v) reviewed the effectiveness of the Group's and the Company's material internal controls, including financial, operational, compliance and information technology controls, and risk management systems via reviews carried out by the internal auditors;
- (vi) met with the external auditors, internal auditors, other committees, and management in separate executive sessions to discuss suspected fraud or irregularity (if any), potential conflicts of interests (if any), and any matters that these groups believe should be discussed privately with the AC;
- (vii) reviewed and checked the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;
- (viii) reviewed interested person transactions in accordance with SGX listing rules;
- (ix) reviewed the nomination of external auditors and gave approval of their compensation; and
- (x) submitted of report of actions and minutes of the AC to the Board of Directors with any recommendations as the AC deemed appropriate.

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the AC.

The AC has recommended to the Board of Directors the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

# DIRECTORS' STATEMENT

## 7. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

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**Chin Mui Hiong**  
Director

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**Chin Mei Yang**  
Director

Singapore  
1 April 2024

# INDEPENDENT AUDITORS’ REPORT

To The Members Of Advancer Global Limited

## Report on the Audit of Financial Statements

### *Opinion*

We have audited the financial statements of Advancer Global Limited (the “Company”) and its subsidiaries (the “Group”) which comprise the statements of financial position of the Group and of the Company as at 31 December 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (the “ACRA code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Overview*

#### Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

#### Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

#### Scope of Audit

For the audit of the current year’s financial statements, we performed full scope audit of all 20 components as the appointed statutory auditors, and we identified 12 significant components, either because of their size or/and their risk characteristics.

#### Areas of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgements and estimates to be made by directors.

# INDEPENDENT AUDITORS' REPORT

To The Members Of Advancer Global Limited

## Report on the Audit of Financial Statements (Continued)

We will elaborate on the salient area of focus as follows:

- Impairment Assessment on Goodwill

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters include the aforementioned salient area of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Impairment Assessment on Goodwill</b>	
<i>Refer to Note 3 for critical accounting judgements and key sources of estimation uncertainty, and Note 11 (Goodwill on consolidation) for disclosures relating to the impairment assessment.</i>	
<b>Key Audit Matter</b>	<b>Audit Response</b>
<p>As at 31 December 2023, the Group reported goodwill arising from the acquisition of subsidiaries with carrying value approximately S\$2.8 million.</p> <p>Irrespective of whether there is any indication of impairment, the management is required to perform an impairment assessment of goodwill annually.</p> <p>The recoverable amounts are determined based on estimates of key inputs including forecasted revenues, growth rates and discount rates. These estimates require judgement and the determination of the recoverable amounts is a key audit matter.</p>	<p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> <li>● Discussed with management on their planned strategies around business expansion, revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers, and obtained the list of secured and lost contracts;</li> <li>● Assessed the achievability of the forecast based on actual results with comparison to the previous forecast;</li> <li>● Evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's estimates applied in the value-in-use ("VIU") models, with comparison to recent performance, trend analysis and market expectations;</li> <li>● Involved internal valuation expert on the assessment of VIU models and key input and assumption; and</li> <li>● Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the cash-generating units ("CGU") subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

To The Members Of Advancer Global Limited

## Report on the Audit of Financial Statements (Continued)

### *Other information*

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# INDEPENDENT AUDITORS' REPORT

To The Members Of Advancer Global Limited

## Report on the Audit of Financial Statements (Continued)

### *Auditors' Responsibilities for the Audit of the Financial Statements (Continued)*

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



# INDEPENDENT AUDITORS' REPORT

To The Members Of Advancer Global Limited

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary entities incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lai Keng Wei.

### **MAZARS LLP**

Public Accountants and  
Chartered Accountants

Singapore  
1 April 2024

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	2023 S\$'000	2022 S\$'000
<b>Revenue</b>	4	65,081	63,103
Cost of sales		<u>(52,367)</u>	<u>(49,821)</u>
<b>Gross profit</b>		12,714	13,282
Other operating income	5	1,421	2,790
Administrative expenses		(18,448)	(20,657)
Finance expenses	6	(112)	(98)
Share of profits from equity-accounted for associates	14	209	15
<b>Loss before income tax</b>	7	(4,216)	(4,668)
Income tax credit/(expense)	9	1	(5)
<b>LOSS FOR THE FINANCIAL YEAR, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR</b>		<u>(4,215)</u>	<u>(4,673)</u>
<b>Loss for the financial year attributable to:</b>			
Owners of the Company		(3,934)	(4,421)
Non-controlling interests		(281)	(252)
<b>Loss for the financial year</b>		<u>(4,215)</u>	<u>(4,673)</u>
<b>Total comprehensive loss for the financial year attributable to:</b>			
Owners of the Company		(3,934)	(4,421)
Non-controlling interests		(281)	(252)
<b>Total comprehensive loss for the financial year</b>		<u>(4,215)</u>	<u>(4,673)</u>
<b>Loss per share attributable to owners of the Company (cents per share)</b>			
Basic and diluted	10	<u>(1.57)</u>	<u>(1.76)</u>

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

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group		Company	
		2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill on consolidation	11	2,845	2,845	-	-
Intangible assets	12	246	412	-	-
Investments in subsidiaries	13	-	-	11,487	11,487
Investments in associates	14	619	411	-	-
Other investments	15	-	-	-	-
Property, plant and equipment	16	2,367	1,854	-	-
Right-of-use assets	17	2,392	2,558	-	-
Deferred tax assets	18	-	-	-	-
<b>Total non-current assets</b>		<b>8,469</b>	<b>8,080</b>	<b>11,487</b>	<b>11,487</b>
<b>Current assets</b>					
Inventories	19	778	873	-	-
Other investments	15	2,832	2,905	2,832	2,905
Trade and other receivables	20	15,281	14,460	16,450	11,989
Cash and bank balances	21	16,293	20,797	9,168	13,625
<b>Total current assets</b>		<b>35,184</b>	<b>39,035</b>	<b>28,450</b>	<b>28,519</b>
<b>Total assets</b>		<b>43,653</b>	<b>47,115</b>	<b>39,937</b>	<b>40,006</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	22	40,607	40,607	40,607	40,607
Treasury shares	22	(241)	(241)	(241)	(241)
Accumulated losses		(4,897)	(963)	(523)	(452)
Other reserves	23	(3,457)	(3,243)	-	-
<b>Equity attributable to owners of the Company</b>		<b>32,012</b>	<b>36,160</b>	<b>39,843</b>	<b>39,914</b>
<b>Non-controlling interests</b>		<b>(403)</b>	<b>(16)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>31,609</b>	<b>36,144</b>	<b>39,843</b>	<b>39,914</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	18	77	83	-	-
Lease liabilities	17	1,016	1,167	-	-
Bank borrowing	25	473	498	-	-
<b>Total non-current liabilities</b>		<b>1,566</b>	<b>1,748</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Lease liabilities	17	1,426	1,463	-	-
Trade and other payables	26	8,151	6,899	94	92
Contract liabilities from contracts with customers	27	874	829	-	-
Bank borrowing	25	27	32	-	-
<b>Total current liabilities</b>		<b>10,478</b>	<b>9,223</b>	<b>94</b>	<b>92</b>
<b>Total liabilities</b>		<b>12,044</b>	<b>10,971</b>	<b>94</b>	<b>92</b>
<b>Total equity and liabilities</b>		<b>43,653</b>	<b>47,115</b>	<b>39,937</b>	<b>40,006</b>

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

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Group	Note	Attributable to owners of the Company								
		Share capital	Treasury shares	(Accumulated	Share options reserve	Capital reserve	Merger reserve	Total	Non-controlling interests	Total equity
				losses)/ Retained earnings						
S\$'000	S\$'000	S\$'000	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 additional interest in existing subsidiaries	13(b)	-	-	-	-	(286)	-	(286)	(354)	(640)
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	(73)	(73)
<b>Balance at 31 December 2022</b>		40,607	(241)	(963)	-	(640)	(2,603)	36,160	(16)	36,144
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(3,934)	-	-	-	(3,934)	(281)	(4,215)
Acquisition of additional interest in existing subsidiaries	13(a)	-	-	-	-	(214)	-	(214)	(106)	(320)
<b>Balance at 31 December 2023</b>		40,607	(241)	(4,897)	-	(854)	(2,603)	32,012	(403)	31,609

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

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

<u>Company</u>	Note	Share capital S\$'000	Treasury shares S\$'000	(Accumulated losses)/ Retained earnings S\$'000	Share options reserve S\$'000	Total S\$'000
<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 expired		-	-	106	(106)	-
<b>Balance at 31 December 2022</b>		40,607	(241)	(452)	-	39,914
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(71)	-	(71)
<b>Balance at 31 December 2023</b>		40,607	(241)	(523)	-	39,843

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	2023 S\$'000	2022 S\$'000
<b>Operating activities</b>			
Loss before income tax		(4,216)	(4,668)
Adjustments for:			
Amortisation of intangible assets	12	166	185
Impairment loss of goodwill	11	–	2,525
Impairment loss on investment in an associate		1	–
Bad debts written-off	7	1	2
Depreciation of property, plant and equipment	16	538	577
Depreciation of right-of-use assets	17	1,689	1,618
Dividend income	5	(135)	(153)
Fair value loss arising from quoted financial assets at fair value through profit or loss (“FVTPL”)	7,15	73	30
Fair value loss arising from unquoted financial assets at FVTPL	7,15	–	125
Gain on lease termination	5	(12)	(6)
Gain on disposal of property, plant and equipment, net	5,7	(70)	(3)
Gain on strike-off of a subsidiary	5	–	(23)
Interest expense	6	112	98
Interest income	5	(338)	(197)
Loss allowance/(Reversal of loss allowance) for receivables (trade), net	7,20	131	(20)
Loss allowance for receivables (non-trade)	7,20	219	–
Property, plant and equipment written-off	7	31	1
Reversal of provision for warranties	26	(1)	(1)
Share of profits from equity-accounted for associates	14	(209)	(15)
Written off of lease liabilities	7	–	11
Operating cash flows before movements in working capital		(2,020)	86
Changes in working capital:			
Inventories		95	(176)
Trade and other receivables		(1,171)	264
Trade and other payables		1,252	188
Contract liabilities from contracts with customers		45	(317)
Cash (used in)/generated from operations		(1,799)	45
Interest received		338	197
Income taxes paid		(5)	(18)
<b>Net cash (used in)/generated from operating activities</b>		<b>(1,466)</b>	<b>224</b>
<b>Investing activities</b>			
Dividend received from quoted equity instruments		135	153
Net cash outflow on acquisition of subsidiaries	13	–	(954)
Acquisition of non-controlling interests in a subsidiary	13	(320)	(640)
Proceeds from disposal of property, plant and equipment		157	88
Purchase of quoted equity instruments held at FVTPL	15	–	(429)
Purchase of property, plant and equipment	16	(1,169)	(507)
<b>Net cash used in investing activities</b>		<b>(1,197)</b>	<b>(2,289)</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	2023 S\$'000	2022 S\$'000
<b>Financing activities</b>			
Dividends paid to non-controlling interests of subsidiaries		–	(73)
Interest paid		(16)	(17)
Repayment of bank borrowings		(30)	(32)
Repayment of lease liabilities	17	(1,795)	(1,813)
<b>Net cash used in financing activities</b>		<b>(1,841)</b>	<b>(1,935)</b>
Net decrease in cash and cash equivalents		(4,504)	(4,000)
Cash and cash equivalents at beginning of financial year		20,797	24,797
<b>Cash and cash equivalents at end of financial year</b>	21	<b>16,293</b>	<b>20,797</b>

## Reconciliation of liabilities arising from financing activities not disclosed in notes:

	Financing cash outflows			Non-cash movements			31
	1 January 2023	Interest paid	Repayment made, net	Acquisition	Lease termination	Interest expense	December 2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Liabilities</b>							
Bank borrowing	530	(14)	(30)	–	–	14	500
Lease liabilities	2,630	(2)	(1,795)	1,719	(208)	98	2,442

	Financing cash outflows			Non-cash movements			31
	1 January 2022	Interest paid	Repayment made, net	Acquisition	Lease termination	Interest expense	December 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Liabilities</b>							
Bank borrowing	562	(9)	(32)	–	–	9	530
Lease liabilities	2,040	(8)	(1,813)	2,480	(158)	89	2,630

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1. General

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 respective subsidiaries are disclosed in Note 13 to the financial statements.

The financial statements of the Group, and the statement of financial position and the statement of changes in equity of the Company for the financial year ended 31 December 2023 were authorised for issue by the Board of Directors at the date of the Directors’ Statement.

## 2. Summary of material accounting policies

### 2.1 Basis of preparation

The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) including related Interpretations of SFRS(I) (“SFRS(I) INTs”) and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar (“S\$”) which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand (“S\$’000”), unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2023. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group’s and Company’s accounting policies, and has no material effect on the current or prior year’s financial statement and is not expected to have a material effect on future periods.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

The Group adopted the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies in the current financial year. The amendments require the disclosure of “material” instead of “significant” accounting policy information and provides guidance to assist the entity in providing useful, entity-specific accounting policy information for the users’ understanding of the financial statements. Accordingly, management had reviewed the accounting policies and updated the information disclosed in Note 2 Summary of material accounting policies in line with the amendments.

#### *SFRS(I)s and SFRS(I) INTs issued but not yet effective*

At the date of authorisation of these financial statements, the following SFRS(I)s and SFRS(I) INTs that are relevant to the Group were issued but not yet effective:

<b>SFRS (I)</b>	<b>Title</b>	<b>Effective date (annual periods beginning on or after)</b>
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	Amendments to SFRS(I) 1-7 and SFRS(I) 7: <i>Supplier Finance Arrangements</i>	1 January 2024
SFRS(I) 1-21, SFRS(I) 1	Amendments to SFRS(I) 1-21: <i>Lack of Exchangeability</i>	1 January 2025
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
SFRS(I) 16	Amendments to SFRS(I) 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Various	Amendments to SFRS(I) 1-1: <i>Non-current Liabilities with Covenants</i>	1 January 2024

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Group does not intend to early adopt any of the above new or revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned new or revised standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.2 Basis of consolidation (Continued)

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* (“SFRS(I) 9”) or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company’s separate financial statements.

### 2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets that constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a “concentration test” as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree’s identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* (“SFRS(I) 3”) are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* (“SFRS(I) 5”), which are recognised and measured at the lower of cost and fair value less costs to sell.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.3 Business combinations (Continued)

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.3 Business combinations (Continued)

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

### 2.4 Revenue recognition

The Group is principally in the business of providing Employment Services, Building Management Services and Security Services (Note 33), sales of electronic products and face masks and provision of related installation services. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised goods or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

#### Service income

##### (a) Building Management Services and Security Services

Revenue from a contract to provide Building Management Services and Security Services is recognised over time, using the output method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group. In the application of the output method, the Group has used appraisals of results achieved method. Accordingly, in view of the nature of the service income on contract basis, management considers that this output method is most appropriate in measuring the progress towards complete satisfaction of these performance obligations under SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15").

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.4 Revenue recognition (Continued)

#### Service income (Continued)

##### (a) Building Management Services and Security Services (Continued)

Revenue from adhoc in Building Management Services and Security Services is recognised at a point in time when the service has been provided and the right to consideration has been earned.

Advance consideration received from customers for services not yet provided is recognised as a contract liabilities (Note 27).

##### (b) Employment Services

Revenue from Employment Services in relation to provision of sourcing, employment and training of migrant domestic workers (“MDWs”) is recognised at a point in time when the service has been provided and the right to consideration has been earned.

Revenue from administrative services in Employment Services Business is recognised over time, using the output method to measure progress towards complete satisfaction of the services.

Advance consideration received from customers for services not yet provided is recognised as a contract liabilities (Note 27).

#### Sales of electronic products and face masks

The Group sells a range of electronic products in relation to provision of security services, and Internet of Things (“IoT”) sensors and face masks to its customers. Revenue is recognised at a point in time when control of the goods is transferred to the end customers (i.e. when the goods are delivered in accordance with the terms and conditions and significant risks and rewards of ownership of the goods have been transferred to the customer).

#### Installation services

The Group provides installation services, which includes running of electrical cables, for security systems and Smart Toilet System that are either sold separately or bundled together with the sale of electronic products in relation to provision of security services and building management solutions to customers. The installation service can be obtained from other providers and does not significantly customise or modify the electronic products.

The bundled sale of installation services and electronic products comprises two performance obligations because the promises to provide the installation services and to transfer the electronic products are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the installation services and electronic products.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.4 Revenue recognition (Continued)

#### Installation services (Continued)

Revenue from the installation service is recognised at a point in time upon completion of installation and acceptance by customers.

The customer is invoiced on a milestone payment schedule. If the value of the goods or services transferred by the Group exceeds the payment, an accrued receivable is recognised. If the payment exceeds the value of the goods transferred, an advanced consideration from customer is recognised under contract liabilities from contract with customers (Note 27).

### 2.5 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.6 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

### 2.7 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

### 2.8 Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 24. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non-market-based vesting conditions. At the end of each financial year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised over the remaining vesting period with a corresponding adjustment to the equity-settled share options reserve.

The policy described above is applied to all equity-settled share-based payments that were granted on 20 April 2017. No amount has been recognised in the financial statements in respect of other equity-settled share-based payments.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.8 Share-based payments (Continued)

The transfer of the balance in the share options reserve to share capital or treasury shares upon exercise of the option and the transfer of the balance in the share options reserve to retained earnings upon expiry of the options are not mandatory and may be kept as a separate reserve upon expiry or exercise of the options.

### 2.9 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities that at the time of the transaction affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.9 Income tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

### 2.10 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

### 2.11 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currency at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.11 Foreign currency transactions and translation (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### 2.12 Property, plant and equipment

Leasehold building held for use in the production or supply of goods or services, or for administrative purposes, is shown at cost less any subsequent accumulated depreciation, and where applicable, accumulated impairment losses.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold building	45 to 46 years
Equipment	5 years
Motor vehicles	3 to 5 years
Computers and office equipment	3 to 5 years
Renovation, furniture and fittings	3 to 5 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 17.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.12 Property, plant and equipment (Continued)

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

### 2.13 Intangible assets

#### Acquired intangible assets

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.

Acquired intangible assets have either finite or indefinite useful life.

Intangible assets with finite useful life are amortised over its useful life, using its straight-line method, over the following bases:

Customer contracts and contractual customer relationships	1 to 5 years
Non-contractual customer relationships	2 to 10 years

The amortisation charge is recognised in profit or loss and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal, with any gain or loss arising from the derecognition of an intangible asset, being the difference between the net disposal proceeds and the carrying amount of the asset, recognised in profit or loss.

#### Operation system, operational web portal and mobile application

Operation system, operational web portal and mobile application are initially measured at cost. Following initial recognition, operation system, operational web portal and mobile application are measured at cost less accumulated amortisation and accumulated impairment losses. The operation system, operational web portal and mobile application are amortised to profit or loss over its estimated useful lives of 3 years and 5 years, respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.14 Investments in associates

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of these policies, and generally accompanying a shareholding of 20% or more of the voting power.

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired. Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

The results, assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under SFRS(I) 5 from the date on which the investee become classified as held for sale. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investments in associates at cost in its separate financial statements.

### 2.15 Impairment of non-financial assets excluding goodwill

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.15 Impairment of non-financial assets excluding goodwill (Continued)

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 2.16 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when the Group becomes party to the contractual provisions of the instrument.

#### **Financial assets**

##### Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 in Note 2.4.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost and fair value through profit or loss ("FVTPL") depends on the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.16 Financial instruments (Continued)

#### Financial assets (Continued)

##### Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost include trade and other receivables and cash and bank balances.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, and recognised in interest income.

Dividends from equity instruments are recognised in profit or loss only when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

##### Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.16 Financial instruments (Continued)

#### Financial assets (Continued)

##### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group’s accounting policy for its impairment of financial assets, refer to Note 30.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.16 Financial instruments (Continued)

#### Financial liabilities and equity instruments

##### Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### *Ordinary share capital*

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

##### Financial liabilities

##### Initial recognition and measurement

All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

##### Other financial liabilities

##### *Trade and other payables*

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.16 Financial instruments (Continued)

#### Financial liabilities and equity instruments (Continued)

##### Other financial liabilities (Continued)

##### *Borrowings*

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.5 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

##### *Financial guarantee contracts*

The Company has issued corporate guarantees to banks for banking facilities granted by them to certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

##### Offsetting of financial instruments

A financial asset and a financial liability shall be offset, and the net amount presented in the statements of financial position when and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 2.17 Inventories

Inventories, comprising mainly chemical products, face masks, electronic products for sales, and other materials used for the daily operation, are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using weighted average methods. Net realisable value represents the net amount that the Group expects to realise from the sale of inventories in the ordinary course of business.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude deposits pledged with the financial institutions as collateral which form an integral part of the Group's cash management.

### 2.19 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 *Leases*. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented in Note 17.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.19 Leases (Continued)

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset has been reduced to zero.

#### The Group as a lessor

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assess and classify each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.19 Leases (Continued)

The Group as a lessor (Continued)

#### *Operating leases*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When the Group subleases its right-of-use assets, it accounts for its interest in the head lease and the sub-lease separately. It assesses its sublease with reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset. If the head lease is a short-term lease to which the Group applied the short-term lease recognition exemption, it classifies the sublease as an operating lease.

### 2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as it arises.

### 2.21 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. Summary of material accounting policies (Continued)

### 2.22 Contingencies

A contingent liability is:

- (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (ii) a present obligation that arises from past events but is not recognised because:
  - (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

### 2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

## 3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

### 3.1 Critical judgements made in applying the Group's accounting policies

#### Lease extension option included in lease contracts

The Group has several lease contracts which include an extension option. In the assessment of whether to include or exclude the extension period in the lease term, the Company considers all relevant facts and circumstances that will create an economic incentive for it to exercise the extension option. After the lease commencement date, the Group only reassesses the lease term when there is a significant event or change in circumstances that is within its control to affect whether it is reasonably certain to exercise the option.

The Group did not include the extension option in the lease term because they are not reasonably certain that the Group would exercise the extension option.

### 3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Impairment of loan receivable from an associate, G3 Environmental Private Limited ("G3")

At the end of each financial year, an assessment is made on whether there is indicator that the Group's loan receivable from an associate is impaired. The Group also considers the forward-looking factors specific to the associate and the economic environment which could affect the ability of the associate to settle the loan. If the financial conditions of the associate were to deteriorate, resulting in an impairment of its ability to make payments, allowances may be required.

Based on the unaudited management accounts of G3 and its subsidiaries ("G3 Group") as at 31 December 2023, current assets exceeded its current liabilities by S\$0.2 million and its total assets exceeded its total liabilities by S\$2.8 million. In addition, G3 Group has cash and bank balances (excluding pledge balances) of S\$9.7 million and amount due to shareholders of S\$12.4 million.

Given the above financial condition of G3, it has been assessed that there is no significant increase in credit risk from initial recognition. Management assessed the ECL relating to the loan receivable from G3 based on 12-month ECL. The Group considered the ability of G3 to settle the loan on a repayable on demand basis after taking into consideration the financials of G3 as of the reporting date.

The carrying amount of loan receivable as at 31 December 2023 was S\$2,492,000 (2022: S\$2,492,000). No allowance for impairment has been recognised as at 31 December 2023 and 2022.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

### 3.2 Key sources of estimation uncertainty (Continued)

#### Fair value of financial instruments

Where the fair values of financial instruments recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values. The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more details in Note 31.

#### Impairment of investments in subsidiaries and associates

At the end of each financial year, an assessment is made on whether there are indicators that the Group's and the Company's investments are impaired. Where applicable, the Group's and the Company's assessment are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries as at 31 December 2023 was S\$11,487,000 (2022: S\$11,487,000) (Note 13). The Group's carrying amount of investments in associates as at 31 December 2023 was S\$619,000 (2022: S\$411,000) (Note 14).

#### Impairment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. There was impairment loss S\$Nil (2022: S\$2,525,000) recognised during the financial year. The carrying amount of goodwill as at 31 December 2023 was S\$2,845,000 (2022: S\$2,845,000) (Note 11).

#### Impairment of intangible assets

At the end of each financial year, an assessment is made on whether there are indicators that the Group's intangible assets are impaired. The valuation and useful life of the intangible assets are based on management's best estimates of future performance and periods over which value from the intangible asset will be realized. Management reassesses the estimated useful life at each period end, taking into account the period over which the intangible asset is expected to generate future economic benefits. The carrying amount of the Group's intangible assets as at 31 December 2023 was S\$246,000 (2022: S\$412,000) (Note 12).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

### 3.2 Key sources of estimation uncertainty (Continued)

#### Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed through the age analysis, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The carrying amount of the Group's trade receivables as at 31 December 2023 was S\$10,484,000 (2022: S\$9,459,000) (Note 20). The expected loss allowance on the Group's trade receivables as at 31 December 2023 was S\$306,000 (2022: S\$231,000) (Note 20).

#### Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's property, plant and equipment as at 31 December 2023 was S\$2,367,000 (2022: S\$1,854,000) (Note 16).

#### Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory, if any. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's and the Company's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 December 2023 was S\$778,000 (2022: S\$873,000). The allowance made on inventory for the year ended 31 December 2023 was S\$13,000 (2022: S\$64,000).

#### Provision for income taxes

The Group has exposure to income taxes in Singapore of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amount of the Group's and Company's current tax payable as at 31 December 2023 and 31 December 2022 were S\$Nil respectively.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. Revenue

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Service income (point in time)		
– Employment Services	9,834	9,686
– Building Management Services	6,492	6,750
– Security Services	3,735	3,004
	20,061	19,440
Service income (over time)		
– Employment Services	22	16
– Building Management Services	31,582	30,977
– Security Services	12,490	12,293
	44,094	43,286
Installation services (point in time)	21	21
Sales of goods (point in time)	905	356
	<u>65,081</u>	<u>63,103</u>

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations and expected to be realised in the following financial years are as follows:

	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Within one year	10,715	10,079
After one year within five years	3,775	4,037
	<u>14,490</u>	<u>14,116</u>

This may be recognised as revenue subject to the complete satisfaction of the services with acceptance by customers and termination clauses within the contracts.

The Group has applied the practical expedient permitted under SFRS(I) 15 for those performance obligations which are part of contracts that have an original expected duration of one year or less.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 5. Other operating income

	<u>Group</u>	
	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Administrative fees income	84	11
Dividend income from quoted equity instruments	135	153
Foreign exchange gain	2	*
Government credit schemes and government grants	708	2,327
Gain on disposal of property, plant and equipment	73	6
Gain on lease termination	12	6
Gain on strike-off of a subsidiary	–	23
Income from supplies to subcontractors	4	4
Interest income from advances to subcontractors	28	16
Interest income from fixed deposits	310	181
	338	197
Rental income	31	26
Refund of insurance charges	8	–
Sponsorship	24	34
Others	2	3
	<u>1,421</u>	<u>2,790</u>

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

Government credit schemes and government grants consist of special employment credit, senior employment credit, wage credit scheme, enabling employment credit, Jobs Support Schemes (“JSS”), Jobs Growth Incentive (“JGI”), property tax rebates, national serviceman relief, Absentee Payroll funding from Singapore Workforce Development Agency, grant under WorkPro programme from Singapore National Employers Federation, Skill Future funding from Skills Future Singapore Agency in connection to certifiable skills training courses, Capability Development Grant, Enterprise Development Grant and Productivity Solutions Grant from Enterprise Singapore.

### Government Assistance Schemes

The JSS provides wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic uncertainty. JSS payouts are intended to offset local employees’ wages and help protect their jobs. The JGI supports employers to expand local hiring and the support will vary depending on when local hire was hired and the characteristics of the local hire. Under the property tax rebates, the property owners of qualifying properties, depending on the property type, will be granted rebates of up to 100% on their property tax payable.

The Group has been awarded certain government grants for which the grant income was recognised in other income. The grant income relating to JSS, JGI and property tax rebates amounted to S\$31,000 (2022: S\$1,149,000) and reversal of grant during the year due to return of advance payouts under JSS amounted to S\$94,000 (2022: S\$Nil) and the corresponding expenses were recognised in staff costs under cost of sales and administrative expenses respectively. Grant receivables of S\$42,000 (2022: S\$261,000) were recognised in trade and other receivables (Note 20) and deferred government income of S\$61,000 (2022: S\$206,000) was recognised in trade and other payables (Note 26).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 6. Finance expenses

	<u>Group</u>	
	<u>2023</u>	<u>2022</u>
	S\$'000	S\$'000
Interest expenses on:		
– Leases	98	89
– Property loan	14	9
	<u>112</u>	<u>98</u>

## 7. Loss before income tax

The following charges/(credit) were included in the determination of loss before income tax:

	<u>Note</u>	<u>Group</u>	
		<u>2023</u>	<u>2022</u>
		S\$'000	S\$'000
<b><i>Included in cost of sales:</i></b>			
Cost of inventories recognised as an expense	19	526	380
Allowance for inventory obsolescence		13	64
Depreciation of right-of-use assets	17	483	378
Insurance		643	357
Expenses relating to short-term leases		103	136
Expenses relating to low-value assets		9	21
Purchase of low-value assets		63	50
Recruitment expenses		3,690	3,586
Staff costs (excluding key management personnel remuneration)	8	36,624	34,334
Subcontractors' fees		<u>7,865</u>	<u>8,018</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 7. Loss before income tax (Continued)

	Note	Group	
		2023	2022
		S\$'000	S\$'000
<b>Included in administrative expenses:</b>			
Audit fees to auditors of the Company:			
- Current financial year		287	290
Non-audit fees to auditors of the Company		51	47
Advertising expenses		291	216
Loss allowance/(Reversal of loss allowance) for receivables (trade)	20,30	131	(20)
Loss allowance for receivables (non-trade)	20,30	219	-
Loss on disposal of property, plant and equipment		3	3
Amortisation of intangible assets	12	166	185
Bad debts written-off		1	2
Depreciation of property, plant and equipment	16	538	577
Depreciation of right-of-use assets	17	1,206	1,240
Directors' fees	29	147	148
Fair value loss arising from quoted financial assets at FVTPL	15	73	30
Fair value loss arising from unquoted financial assets at FVTPL	15	-	125
Impairment loss of goodwill	11	-	2,525
Insurance		333	318
Key management personnel remuneration	29	4,140	4,339
Expenses relating to short-term leases		193	150
Expenses relating to low-value assets		7	3
Property, plant and equipment written-off		31	1
Consultancy retainer fees		123	462
Staff costs (excluding key management personnel remuneration)	8	7,761	7,550
Written off of lease liabilities		-	11

## 8. Staff costs (excluding key management personnel remuneration)

	Group	
	2023	2022
	S\$'000	S\$'000
<b>Cost of sales</b>		
Salaries, allowances and other benefits	33,536	31,317
Defined contribution plan	3,088	3,017
	36,624	34,334
<b>Administrative expenses</b>		
Salaries, allowances and other benefits	7,035	6,836
Defined contribution plan	726	714
	7,761	7,550
Total staff costs	44,385	41,884

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 9. Income tax (credit)/expense

	<u>Group</u>	
	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Current income tax		
– Current financial year	–	–
– Under/(Over)-provision in prior financial years	5	(11)
	<u>5</u>	<u>(11)</u>
Deferred income tax (Note 18)		
– Origination and reversal of temporary differences	(6)	(7)
– Under-provision in prior financial years	–	23
	<u>(6)</u>	<u>16</u>
Total tax (credit)/expense	<u>(1)</u>	<u>5</u>

The Group is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2022: 17%).

Reconciliation of effective tax rate is as follows:

	<u>Group</u>	
	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Loss before income tax	(4,216)	(4,668)
Share of profits from equity-accounted for associates, net of taxation	(209)	(15)
Loss before income tax and share of profits from equity-accounted for associates, net of taxation	<u>(4,425)</u>	<u>(4,683)</u>
Income tax at statutory rate (17%)	(752)	(796)
Tax effects of:		
– Expenses not deductible for tax purposes	483	1,007
– Income not subject to tax	(272)	(314)
– Tax incentive and special allowance	(27)	(54)
– Underprovision in prior financial years	5	12
– Unrecognised deferred tax benefits	572	156
– Others	(10)	(6)
Total tax (credit)/expense	<u>(1)</u>	<u>5</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 10. Loss per share

Basic and diluted loss per share are calculated by dividing the loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year. The following table reflects the loss and share data used in the computation of basic loss per share:

	<u>Group</u>	
	2023	2022
Loss for the purposes of basic and diluted loss per share (loss for the financial year attributable to owners of the Company) (S\$'000)	(3,934)	(4,421)
Weighted average number of ordinary shares outstanding for basic and diluted loss per share ('000)	251,186	251,186
Basic and diluted loss per share (cents)	<u>(1.57)</u>	<u>(1.76)</u>

The basic and diluted loss per share is the same as there were no potentially dilutive instruments.

## 11. Goodwill on consolidation

		<u>Group</u>	
	Note	2023	2022
		S\$'000	S\$'000
<b>Cost:</b>			
At 1 January		2,845	4,425
Arising on acquisition of subsidiaries	13(c)	–	945
Impairment loss		–	(2,525)
At 31 December		<u>2,845</u>	<u>2,845</u>

Goodwill acquired through business combinations is allocated, at acquisition, to the CGU that are expected to benefit from those business combinations. The carrying amount of goodwill had been allocated as follows:

	<u>Group</u>	
	2023	2022
	S\$'000	S\$'000
Advancer IFM Pte. Ltd.	115	115
Newman group <sup>(1)</sup>	1,785	1,785
SRE group <sup>(2)</sup>	945	945
	<u>2,845</u>	<u>2,845</u>

(1) Newman Group – Newman Property Consultants Pte. Ltd. (“NPC” formerly known as Newman & Goh Property Consultants Pte. Ltd.) and Newman Property Services Pte. Ltd. (“NPS” formerly known as Newman & Associates Pte. Ltd.) have been allocated as one CGU.

(2) SRE Group - SRE Global Pte. Ltd. (“SRE”), SRE Management Pte. Ltd. (“SREM”) and SRE Property & Facility Pte. Ltd. (“SREP”) have been allocated as one CGU.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 11. Goodwill on consolidation (Continued)

During the financial year ended 31 December 2022, goodwill with carrying amount of S\$945,000 was acquired through the purchase of SREM and SREP (Note 13(b)) in the Building Management Services Business segment. There was no goodwill acquired during the financial year ended 31 December 2023.

### Impairment testing of each goodwill

The Group tests CGU for impairment annually, or more frequently when there is an indication for impairment.

The Group has measured the recoverable amount of each CGU based on 5-years cash flows projections approved by the Board of Directors. Key assumptions on which management has based its cash flow projections for the respective periods of the significant CGU are as follows:

	<u>SRE Group</u>		<u>Premier Group</u>		<u>Newman Group</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue growth rates	5.79% to 6.67%	7.95% to 9.15%	–	0.86% to 2.4%	6.07% to 14.76%	-6.27% to 2.40%
Gross profit margins	19.49%	32.48% to 38.18%	–	51.73%	18.3% to 19.6%	39.31% to 50.85%
Discount rates	9.49%	11.07%	–	10.99%	9.49%	11.07%
Terminal growth rates	2.34%	1.88%	–	1.88%	2.34%	1.88%

### *Key assumptions used in the value-in-use calculations*

*Revenue growth rates* – The forecasted revenue growth rates used are based on contractual customers wherein contracts are mostly with a one to two-years term and automatic renewal clause relevant to the CGUs and regular customers, taking into account of the forecasted revenue growth rate relevant to the environment where the CGUs operate in.

*Gross profit margins* – Gross profit margins are determined based on past performance and its expectations of market developments.

*Discount rates* – The discount rate used is based on the weighted average cost of the CGU's capital (the "WACC"), adjusted for the specific circumstances of the CGU and based on management's experience, and re-grossed back to arrive at the pre-tax rate.

*Terminal growth rates* – The terminal growth rates are determined based on management's estimate of the long-term industry growth rates.

### *Sensitivity to changes in assumptions*

Management is of the view that any reasonable possible change in any of the above key assumptions is not likely to materially cause the CGU's carrying amount to exceed its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 11. Goodwill on consolidation (Continued)

### Impairment testing of each goodwill (Continued)

#### *Impairment loss recognised*

No impairment losses on goodwill was recognised during the financial year ended 31 December 2023.

During the financial year ended 31 December 2022, the Group has recognised impairment losses of S\$2,525,000 for goodwill relating to Premier Group to fully impair its goodwill due to its continuous underperformance amidst challenging economic conditions.

## 12. Intangible assets

<u>Group</u>	<b>Customer contracts and contractual customer relationships<sup>(1)</sup></b>	<b>Non-contractual customer relationships<sup>(2)</sup></b>	<b>Operation system, operational web portal and mobile application<sup>(3)</sup></b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Cost</u></b>				
At 1 January 2022	2,571	362	592	3,525
Acquisition of a subsidiary (Note 13(c))	58	–	–	58
At 31 December 2022 and 2023	<u>2,629</u>	<u>362</u>	<u>592</u>	<u>3,583</u>
<b><u>Accumulated amortisation</u></b>				
At 1 January 2022	2,571	212	203	2,986
Amortisation for the financial year	22	51	112	185
At 31 December 2022	2,593	263	315	3,171
Amortisation for the financial year	9	45	112	166
At 31 December 2023	<u>2,602</u>	<u>308</u>	<u>427</u>	<u>3,337</u>
<b><u>Carrying amount</u></b>				
At 31 December 2023	<u>27</u>	<u>54</u>	<u>165</u>	<u>246</u>
At 31 December 2022	<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 purchase 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.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. Investments in subsidiaries

	Company	
	2023	2022
	S\$'000	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
	11,487	11,487

The details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Effective equity held by the Company	
		2023	2022
		%	%
<b><u>Held directly by the Company</u></b>			
Advancer Global Manpower Pte. Ltd. (“AGM”) <sup>(1) (2)</sup>	Investment holding	100	100
Advancer Global Facility Pte. Ltd. (“AGF”) <sup>(1)</sup>	Management consultancy services / Investment holding	100	100
Advancer Global Security Pte. Ltd. (“AGS”) <sup>(1) (2)</sup>	Investment holding	100	100
<b><u>Held through Advancer Global Manpower Pte. Ltd.</u></b>			
Advancer Nation Pte. Ltd. (“Advancer Nation”) <sup>(3)</sup>	Management consultancy service / Other Holding Companies	100	100
Nation Human Resources Pte. Ltd. <sup>(1)</sup>	Domestic worker employment placement agencies (excluding online marketplaces) / Chartered bus services (including school buses)	100	100
Nation Employment Pte Ltd <sup>(1)</sup>	Domestic worker employment placement agencies (excluding online marketplaces) / Letting of self-owned or leased real estate property except food courts, coffee shops and canteens (e.g. office / exhibition space, shopping mall, self-storage facilities)	100	100
<b><u>Held through Advancer Global Facility Pte. Ltd.</u></b>			
Our Express Pte. Ltd. (“Our Express”) <sup>(5)</sup>	Online marketplaces for services N.E.C/Online marketplaces for goods (including food)	100	100

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal activities	Effective equity held by the Company	
		2023	2022
		%	%
<b>Held through Advancer Global Facility Pte. Ltd. (Continued)</b>			
First Stewards Private Limited <sup>(1)</sup>	General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces	100	100
Master Clean Facility Services Pte. Ltd. <sup>(1)</sup>	General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces / Management consultancy services	100	100
Newman Property Services Pte. Ltd. <sup>(1)</sup>	Management of self-owned strata titled property (i.e. management corporation strata title) (Services including building related services essential for upkeep of building) / Real estate agencies and valuation services	100 (Note a)	92 (Note b)
Newman Property Consultants Pte. Ltd. <sup>(1)</sup>	Residential (other than town councils), commercial and industrial real estate management / services including building related services essential for upkeep of building) / Real estate agencies and valuation services	100 (Note a)	92 (Note b)
Premier Eco-Care Pte. Ltd. <sup>(1)</sup>	Pest control services not in connection with agriculture (Pest control, fumigation and other ecological care services) / General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces	100	100
Prestige International Management Pte. Ltd. (Wholly-owned subsidiary of Premier Eco-Care Pte. Ltd.) <sup>(1)</sup>	Pest control services not in connection with agriculture (Pest control, fumigation and other ecological care services) / Domestic worker employment placement agencies (excluding online marketplaces)	100	100

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal activities	Effective equity held by the Company	
		2023 %	2022 %
<b>Held through Advancer Global Facility Pte. Ltd. (Continued)</b>			
World Clean Facility Services Pte. Ltd. <sup>(1)</sup>	General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces / Pest control services not in connection with agriculture (Pest control, fumigation and other ecological care services)	100	100
Advancer Smart Technology Pte. Ltd. ("AST") <sup>(1)</sup>	Data analytics, processing and related activities n.e.c. (Data analytics from internet of things devices & embedded artificial intelligence) / Wholesale of electronic components	85	85
Country Cousins Pte. Ltd. ("Country Cousins") <sup>(1)</sup>	Landscape planting, care and maintenance service activities (e.g. garden installation and maintenance, grass cutting, tree felling, pruning) / Domestic worker employment placement agencies (excluding online marketplaces)	100	100
SRE Global Pte. Ltd. ("SRE") <sup>(1)</sup>	Real estate developer / Real estate agencies and valuation services	82	82
HBA Group Property Consultants Pte. Ltd. (Wholly-owned subsidiary of SRE) <sup>(4)</sup>	Residential (other than town councils), commercial and industrial real estate management / Real estate agencies and valuation services	–	82
SRE Management Services Pte. Ltd. (Wholly-owned subsidiary of SRE) ("SREM") <sup>(5)</sup>	Residential (other than town councils), commercial and industrial real estate management	82	82 (Note c)
SRE Property & Facility Pte. Ltd. (Wholly-owned subsidiary of SRE) ("SREP") <sup>(1)</sup>	Residential (other than town councils), commercial and industrial real estate management	82	82 (Note c)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal activities	Effective equity held by the Company	
		2023	2022
		%	%
<b><u>Held through Advancer Global Security Pte. Ltd.</u></b>			
AGS Integration Pte. Ltd. ("AGSI") <sup>(1)</sup>	Private security activities / Other construction installation n.e.c.	70	70
Advancer IFM Pte. Ltd. <sup>(1)</sup>	Private security activities / General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces	100	100
Advancer Security Pte. Ltd. (formerly known as KH Security Pte. Ltd.) ("KH") <sup>(1)</sup>	Private security activities / General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces	100	100 (Note d)
KH Security Agency Pte. Ltd. <sup>(4)</sup>	Private security activities/General cleaning services (including cleaning of public areas, offices and factories) except household cleaning and online marketplaces	–	100

(1) Audited by Mazars LLP, Singapore.

(2) The subsidiaries are dormant.

(3) Subsequent to the financial year, this subsidiary has been struck-off from the Register of Accounting and Corporate Regulatory Authority (ACRA) pursuant to Section 344 of the Companies Act 1967 of Singapore. The unaudited accounts have been used for the purpose of consolidation as it is not material to the Group's consolidated financial statements (Note 34).

(4) Struck off from the Register of Companies pursuant to Section 344A of the Companies Act 1967 of Singapore on 6 April 2023.

(5) During the financial year, these subsidiaries submitted an application to ACRA to strike off the companies.

All subsidiaries are incorporated and operating in Singapore.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. Investments in subsidiaries (Continued)

*Interest in subsidiaries with material non-controlling interests (“NCI”)*

The Group has the following subsidiaries which have NCI that are material to the Group:

Name of subsidiaries	Proportion of ownership interest held by NCI		(Loss)/Profit allocated to NCI during the financial year		Accumulated NCI at the reporting date	
	2023	2022	2023	2022	2023	2022
	%	%	S\$'000	S\$'000	S\$'000	S\$'000
AGSI	30	30	(83)	(112)	(186)	(103)
SRE	18	18	(145)	(97)	(19)	126
AST	15	15	(87)	(104)	(296)	(209)

There is no significant restriction on the Group’s ability to access or use the assets and settle the liabilities of the Group.

*Summarised financial information (before intercompany eliminations):*

	AGSI		SRE		AST	
	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets:</b>						
Non-current assets	947	1,089	484	1,253	20	68
Current assets	2,283	2,125	1,630	1,708	854	636
<b>Liabilities:</b>						
Non-current liabilities	473	524	21	83	–	13
Current liabilities	3,379	3,035	2,199	2,180	3,143	2,383
Net (liabilities)/assets	(622)	(345)	(106)	698	(2,269)	(1,692)
<b>Results:</b>						
Revenue	3,103	2,338	4,911	4,786	594	626
Loss before income tax	(275)	(374)	(805)	(543)	(577)	(693)
Loss for the financial year	(275)	(374)	(805)	(538)	(577)	(693)
Net cash flow generated from/(used in) operations	(28)	(425)	221	(764)	(619)	(145)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. Investments in subsidiaries (Continued)

### Financial year ended 31 December 2023

#### **(a) Acquisition of remaining 8% issued and paid-up share capital of NPC and NPS**

On 26 May 2023, AGF, a wholly-owned subsidiary of the Company, acquired the remaining 8% of the issued and paid-up share capital of NPC and NPS for a total cash consideration of S\$320,000 (“Consideration”) from Ms. Sim Kai Li (“Ms Sim”). Following the completion of Acquisition, NPC and NPS are wholly-owned by the Company through AGF.

The effect of the change in the Group’s ownership interest in NPC and NPS on the equity attributable to owners of the Company has been recognised in “Capital reserve” within equity as summarised below:

	<u>S\$'000</u>
Consideration paid for acquisition of non-controlling interests	320
Decrease in equity attributable to non-controlling interests	(106)
Increase in equity attributable to owners of the Company	<u>214</u>

### Financial year ended 31 December 2022

#### **(b) Acquisition of additional 16% issued and paid-up share capital of NPC and NPS**

On 9 May 2022, AGF, a wholly-owned subsidiary of the Company, acquired additional 16% of the issued and paid-up share capital of NPC and NPS for a total cash consideration of S\$640,000 (“Consideration”) from Mr. Tham Mun Kong and Mr. Cheng Wee Hong (Zhong WeiHong). Following the completion of Acquisition, NPC and NPS are 92%-owned by the Company through AGF.

The effect of the change in the Group’s ownership interest in NPC and NPS on the equity attributable to owners of the Company has been recognised in “Capital reserve” within equity as summarised below:

	<u>S\$'000</u>
Consideration paid for acquisition of non-controlling interests	640
Decrease in equity attributable to non-controlling interests	(354)
Increase in equity attributable to owners of the Company	<u>286</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. Investments in subsidiaries (Continued)

*Financial year ended 31 December 2022 (Continued)*

### (c) Acquisition of SREM and SREP

In order to expand its range of services within its building management business division, 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 fair value of the identifiable assets and liabilities of SREM and SREP as at the acquisition date were:

	SREM S\$'000	SREP S\$'000	Total S\$'000
Property, plant and equipment (Note 16)	3	–	3
Intangible assets (Note 12)	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 fair value	50	35	85
Goodwill arising from acquisition			945
			<u>1,030</u>

### Effect of the acquisition of SREM and SREP on cashflows

Total consideration for 100% of equity interest acquired	(1,030)
Add: Cash and cash equivalents of subsidiaries acquired	76
Net cash outflow on acquisition	<u>(954)</u>

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. Investments in subsidiaries (Continued)

*Financial year ended 31 December 2022 (Continued)*

### (c) Acquisition of SREM and SREP (Continued)

#### 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.

#### 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.

### (d) Increase in issued and paid-up capital of KH

On 4 February 2022, KH, an indirect wholly-owned subsidiary of the Company held through 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%.

## 14. Investments in associates

	<u>Group</u>	
	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Investments in associates, at cost	696	696
Impairment loss	(1)	-
Share of associates' results	(76)	(285)
Carrying amount	<u>619</u>	<u>411</u>



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Investments in associates (Continued)

The details of the associates are as follows:

Name of associates	Country of incorporation and principal place of business	Principal activities	Effective equity interest held by the Group	
			2023 %	2022 %
<b><u>Held through Advancer Global Manpower Pte. Ltd.</u></b>				
Fullcast International Co., Ltd. ("Fullcast")	Japan	Human resources services	49.0 <sup>(1)</sup>	–
<b><u>Held through Advancer Nation Pte. Ltd.</u></b>				
Fullcast International Co., Ltd.	Japan	Human resources services	– <sup>(1)</sup>	49.0
<b><u>Held through Advancer Global Facility Pte. Ltd.</u></b>				
G3 Environmental Private Limited ("G3") <sup>(2)</sup>	Singapore	Commercial and industrial Real estate management / Recycling of metal waste and scrap	20.1	20.1
<b><u>Held through G3</u></b>				
TEE Environmental Pte. Ltd. <sup>(2)</sup>	Singapore	Commercial and industrial real estate management / Recycling of metal waste and scrap	20.1	20.1
TEE Recycling Pte. Ltd. <sup>(2)</sup>	Singapore	Recycling of metal waste and scrap / Collection of waste	20.1	20.1
Envotek Engineering Pte. Ltd. <sup>(2)</sup>	Singapore	Installation of industrial machinery and equipment, mechanical engineering works / General contractors	20.1	20.1
<b><u>Held through Advancer Global Security Pte. Ltd.</u></b>				
Eazable Pte. Ltd. ("Eazable")	Singapore	Development software and applications (except games and cybersecurity)	45.0	45.0

(1) On 31 July 2023, Advancer Nation transferred its 49.0% shareholding interest in Fullcast to AGM for S\$4,000.

(2) The associate was audited by Foo Kon Tan LLP for the financial year ended 30 September 2022 and 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Investments in associates (Continued)

The activities of the associates are strategic to the Group's activities.

### G3

The financial statements of G3 are made up to 30 September each year in line with its holding company's financial year end.

### *Summarised financial information for the associates*

The summarised financial information based on its unaudited SFRS(l) financial statements as follows:

	<u>G3</u>		<u>Fullcast</u>		<u>Eazable</u>		<u>Group</u>	
	2023	2022	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets and liabilities:</b>								
Non-current assets	2,918	3,671	9	9	–	231		
Current assets	18,106	15,580	222	120	72	253		
Total assets	21,024	19,251	231	129	72	484		
Non-current liabilities	271	415	–	–	–	–		
Current liabilities	17,899	18,104	320	31	60	191		
Total liabilities	18,170	18,519	320	31	60	191		
Net assets/(liabilities)	2,854	732	(89)	98	12	293		
Group's share of associates' net assets/(liabilities)	574	147	(44)	48	5	132	535	327
Other adjustments	32	33	52	50	–	1	84	84
Carrying amount of the investment as at 31 December	606	180	8	98	5	133	619	411

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. Investments in associates (Continued)

Summarised financial information for the associates (Continued)

The summarised financial information based on its unaudited SFRS(l) financial statements as follows:  
(Continued)

	<u>G3</u>		<u>Fullcast</u>		<u>Eazable</u>		<u>Group</u>	
	2023	2022	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Results:</b>								
Revenue	29,030	28,058	87	69	149	86	29,266	28,213
Profit/(loss) for the financial year, representing total comprehensive income/(loss) for the financial year	2,121	1,800	(184)	(181)	(282)	(166)	1,655	1,453
Group's share of associates' profit/(loss) for the financial year	426	361	(90)	(89)	(127)	(74)	209	198
Other adjustment <sup>(1)</sup>	-	(183)	-	-	-	-	-	(183)
Group's share of associates' profit/(loss) for the financial year, net	426	178	(90)	(89)	(127)	(74)	209	15

(1) Other adjustment pertains to the share of unrecognised losses brought forward from the financial year ended 31 December 2021.

The Group does not recognise losses relating to certain associates where its share of losses exceeds the Group's carrying amount of its investment in those associates. The Group has no cumulative share of unrecognised losses during the financial year ended 31 December 2023 and 2022.

## 15. Other investments

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		2023	2022	2023	2022
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current investments</b>					
<b>Financial assets held at FVTPL</b>					
Unquoted equity instruments – at FVTPL		-	-	-	-
<b>Current investments</b>					
<b>Financial assets held at FVTPL</b>					
Quoted equity instruments – at FVTPL		2,832	2,905	2,832	2,905
<b>Total financial assets held at FVTPL</b>		<b>2,832</b>	<b>2,905</b>	<b>2,832</b>	<b>2,905</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 15. Other investments (Continued)

Note	<u>Group</u>		<u>Company</u>	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Movement for unquoted equity instruments</b>				
At beginning of the year	-	125	-	-
Fair value loss recognised in profit or loss	15(a)	(125)	-	-
	-	-	-	-
<b>Movement for quoted equity instruments</b>				
At beginning of the year	2,905	2,506	2,905	2,506
Additions	-	429	-	429
Fair value loss recognised in profit or loss	(73)	(30)	(73)	(30)
15(b)	2,832	2,905	2,832	2,905

### Unquoted equity instruments

- (a) The investment in Zhe Jiang Zhi Wu Hui Yun Technology Co. Ltd. ("ZWHY"), a company incorporated in People's Republic of China, held through AST, with shareholding at 15%, is classified at FVTPL.

As at 31 December 2023 and 31 December 2022, 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 investment in ZWHY amounting to S\$Nil (2022: S\$125,000) during the financial year.

It is denominated in Chinese Renminbi.

### Quoted equity instruments

- (b) 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.

The currency profiles of the Group's and Company's investments in quoted equity instruments as at 31 December 2023 and 31 December 2022 are as follows:

	<u>Group and Company</u>	
	2023	2022
	S\$'000	S\$'000
Singapore dollar	2,389	2,353
United States dollar	443	552
	2,832	2,905

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 16. Property, plant and equipment

<u>Group</u>	<u>Leasehold</u>	<u>Equipment</u>	<u>Motor</u>	<u>Computers</u>	<u>Renovation,</u>	<u>Total</u>
	<u>building</u>		<u>vehicles</u>	<u>and office</u>	<u>furniture</u>	
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>equipment</u>	<u>and fittings</u>	<u>S\$'000</u>
				<u>S\$'000</u>	<u>S\$'000</u>	
<b><u>Cost</u></b>						
At 1 January 2022	883	593	141	1,051	720	3,388
Additions	–	37	96	119	255	507
Disposals	–	(13)	(62)	(14)	(128)	(217)
Write-offs	–	–	(5)	(82)	(12)	(99)
Reclassification	–	–	–	20	(20)	–
Acquired on acquisition of subsidiaries (Note 13 (c))	–	–	–	3	–	3
At 31 December 2022	883	617	170	1,097	815	3,582
Additions	862	79	–	62	166	1,169
Disposals	–	(126)	–	(29)	(38)	(193)
Write-offs	–	–	(22)	(533)	(185)	(740)
At 31 December 2023	1,745	570	148	597	758	3,818
<b><u>Accumulated depreciation</u></b>						
At 1 January 2022	68	373	118	585	237	1,381
Depreciation	19	131	26	207	194	577
Disposals	–	(12)	(61)	(8)	(51)	(132)
Write-offs	–	–	(5)	(81)	(12)	(98)
At 31 December 2022	87	492	78	703	368	1,728
Depreciation	30	112	31	165	200	538
Disposals	–	(85)	–	(13)	(8)	(106)
Write-offs	–	–	(22)	(533)	(154)	(709)
At 31 December 2023	117	519	87	322	406	1,451
<b><u>Carrying amount</u></b>						
At 31 December 2023	1,628	51	61	275	352	2,367
At 31 December 2022	796	125	92	394	447	1,854

The Group's leasehold building is recorded at cost as stated under Note 2.12 to the financial statements and no valuation was conducted.

The Group's leasehold building with carrying amount of S\$776,000 (2022: S\$796,000) was mortgaged to secure the Group's bank borrowing (Note 25). The details of this leasehold building as at 31 December are set out below:

<u>Description and location</u>	<u>2023</u>		<u>2022</u>	
	<u>Tenure</u>	<u>Unexpired lease term</u>	<u>Tenure</u>	<u>Unexpired lease term</u>
18 Boon Lay Way #03-138 Tradehub 21, Singapore 609966 (the "Tradehub21 Property")	46 years 4 months	39 years 11 months	46 years 4 months	40 years 11 months

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 17. The Group as a lessee

The Group leases certain office premises, office equipment, motor vehicles and other operating facilities for one to five years.

### Extension options

The Group has several lease contracts with extension options exercisable by the Group up to 6 months before the end of the non-cancellable contract period. These extension options are exercisable by the Group and not by the lessors. The extension options are used by the Group to provide operation flexibility in terms of managing the assets used in the Group's operation.

### Recognition exemptions

The Group has certain office premises, office equipment, motor vehicles and other operating facilities with lease terms of 12 months or less and/or of low value. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

### Right-of-use assets

The carrying amount of right-of-use assets is as follows:

	<b>Office premises</b>	<b>Office equipment</b>	<b>Motor vehicles</b>	<b>Other operating facilities</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
At 1 January 2022	806	123	440	491	1,860
Additions	1,456	12	640	372	2,480
Written off of early lease termination	(62)	(11)	–	(91)	(164)
Reclassification	–	31	(31)	–	–
Depreciation	(736)	(89)	(415)	(378)	(1,618)
At 31 December 2022	1,464	66	634	394	2,558
Additions	764	213	129	613	1,719
Written off of early lease termination	(128)	(35)	(13)	(20)	(196)
Depreciation	(732)	(54)	(420)	(483)	(1,689)
At 31 December 2023	1,368	190	330	504	2,392

The total cash outflow for repayment of lease liabilities' principal and interest during the financial year ended 31 December 2023 is S\$1,795,000 and S\$2,000 (31 December 2022: S\$1,813,000 and S\$8,000) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 17. The Group as a lessee (Continued)

### Lease liabilities

	<u>Group</u>	
	2023	2022
	S\$'000	S\$'000
Lease liabilities – non-current	1,016	1,167
Lease liabilities – current	1,426	1,463
At end of financial year	2,442	2,630

The maturity analysis of lease liabilities is disclosed in Note 30.

Lease liabilities are denominated in Singapore dollar.

### Amounts recognised in profit or loss

	<u>Group</u>	
	2023	2022
	S\$'000	S\$'000
Interest expense on lease liabilities	98	89
Expense relating to short-term leases	296	286
Expense relating to leases of low-value assets	16	24

## 18. Deferred tax

	<u>Group</u>	
	2023	2022
	S\$'000	S\$'000
Deferred tax assets	–	–
Deferred tax liabilities	(77)	(83)

Deferred tax assets and liabilities principally arose as a result of difference between carrying amount and tax written down value of property, plant and equipment.

The movements in deferred tax position for the financial year are as follows:

### Deferred tax assets

	<u>Group</u>	
	2023	2022
	S\$'000	S\$'000
At beginning of financial year	–	28
Over-provision in prior financial years	–	(28)
At end of financial year	–	–

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 18. Deferred tax (Continued)

### Deferred tax liabilities

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
At beginning of financial year	(83)	(85)
Credit to profit or loss	6	7
Over-provision in prior financial years	–	5
Acquisition of a subsidiary (Note 13(c))	–	(10)
At end of financial year	<u>(77)</u>	<u>(83)</u>

- (a) Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.
- (b) The following estimated deferred tax assets have not been recognised in the statements of financial position in respect of the tax losses due to uncertainty in the availability of future taxable profit against which the Group can utilise the tax benefits are as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Tax losses	<u>8,915</u>	<u>5,548</u>
Unrecognised deferred tax benefits at statutory rate	<u>1,515</u>	<u>943</u>

## 19. Inventories

Inventories of the Group comprise mainly chemical products, electronic products for sales and other materials that used for the daily operation purpose. Cost of inventories recognised as expense and included in cost of sales as disclosed in Note 7 to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 20. Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Trade receivables				
– Third parties	10,394	9,619	–	–
– Related party	–	1	–	–
– Accrued receivables	396	70	–	–
Less: loss allowance (Note 30)	(306)	(231)	–	–
Total trade receivables	10,484	9,459	–	–
Other receivables				
– Third parties	509	288	39	90
– Subsidiaries	–	–	12,655	8,074
– Related parties	–	6	–	–
– Loan receivable from an associate	2,492	2,492	–	–
– Advances to recruiters and suppliers	466	376	–	–
– Deferred costs	116	125	–	–
– Deposits	683	822	–	–
– Dividend receivable from subsidiaries	–	–	4,265	4,330
– Prepayments	377	329	6	10
– Receivable from government credit schemes	42	261	–	–
– Staff loans	331	302	–	–
Less: loss allowance (Note 30)	(219)	–	(515)	(515)
Total other receivables	4,797	5,001	16,450	11,989
Total trade and other receivables	15,281	14,460	16,450	11,989

Trade receivables are non-interest bearing and the Group generally does not extend credit period to the customers except for provision of building management services and security services which have credit period extended at 7 to 90 (2022: 7 to 90) days credit terms. They are recognised at the transaction price which represent their fair values on initial recognition.

Accrued receivables of S\$396,000 (2022: S\$70,000) relate to completion of installation services contracts and security services rendered but has not been invoiced to the customers as at the end of the financial year. The increase in accrued receivables for the financial year ended 31 December 2023 was mainly due to more works being done but yet billed as of year-end.

Other receivables from subsidiaries and loan receivable from an associate are unsecured, interest-free and repayable on demand. There was no repayment of loan from an associate during the financial year 31 December 2023 and 31 December 2022.

Advances to recruiters represent advanced payments as at financial year end that would be offset against the costs of MDWs' arrivals in the next financial year.

Deferred costs relate to the recruitment expenses deferred until completion of the performance obligation to recruiters in the future financial period.

Staff loans are unsecured, interest-free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 20. Trade and other receivables (Continued)

The carrying amount of trade receivables determined to be impaired is as follows:

	<u>Group</u>	
	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Past due for 0 to 30 days	–	–
Past due for 31 to 60 days	–	–
Past due for 61 to 90 days	–	–
Past due for 91 to 365 days	142	*
Past due more than 365 days	164	231
	<u>306</u>	<u>231</u>

Movements in the loss allowance for trade receivables are as follows:

	<u>Group</u>	
	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>
At beginning of financial year	231	273
Charged to profit or loss	159	58
Written off during the financial year	(56)	(22)
Reversal of loss allowance	(28)	(78)
At end of financial year	<u>306</u>	<u>231</u>

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

Trade and other receivables are denominated in Singapore dollar.

## 21. Cash and bank balances

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Cash at banks	10,290	6,500	3,268	312
Cash on hand	103	73	–	–
Fixed deposits	5,900	14,224	5,900	13,313
	<u>16,293</u>	<u>20,797</u>	<u>9,168</u>	<u>13,625</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Fixed deposits of the Group and the Company bear interest rates ranging from 2.70% to 3.70% (2022: 0.10% to 2.75%) per annum and 3.00% to 3.70% (2022: 0.10% to 2.75%) per annum respectively. Fixed deposits of the Group and the Company are for tenure of 1 to 12 (2022: 3 to 12) months and 1 to 6 (2022: 3 to 9) months respectively. As at 31 December 2023 and 31 December 2022, there were no fixed deposits pledged to financial institutions for banker guarantees.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 21. Cash and bank balances (Continued)

The currency profiles of the Group's and Company's cash and bank balances as at 31 December 2023 and 31 December 2022 are as follows:

	<u>Group</u>		<u>Company</u>	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore Dollar	16,293	20,797	9,168	13,625

## 22. Share capital

	<u>Group and Company</u>			
	2023		2022	
	No. of shares		No. of shares	
	'000	S\$'000	'000	S\$'000
<b><u>Issued and fully paid, with no par value</u></b>				
At beginning and end of the financial year	252,364	40,607	252,364	40,607

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

### Treasury shares

	<u>Group and Company</u>			
	2023		2022	
	No. of shares		No. of shares	
	'000	S\$'000	'000	S\$'000
At 1 January and 31 December	1,178	241	1,178	241

There was no share buy-back conducted by the Company during the financial years ended 31 December 2023 and 31 December 2022.

As at 31 December 2023, the number of treasury shares held by the Company, amounting to 1,177,900 represented 0.47% (31 December 2022: 1,177,900 represented 0.47%) of the total number of issued ordinary shares (excluding treasury shares).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23. Other reserves

Other reserves comprise reserves as follows:

	<u>Group</u>		<u>Company</u>	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Capital reserve	(854)	(640)	–	–
Merger reserve	(2,603)	(2,603)	–	–
	<u>(3,457)</u>	<u>(3,243)</u>	<u>–</u>	<u>–</u>

### Capital reserve

The capital reserve represents the difference between the fair value of the consideration received and the carrying amount of the non-controlling interest of the acquisition of 16% equity interest in NPC & NPS (Note 13(b)) as well as the acquisition of remaining 8% equity interest in NPC & NPS (Note 13(a)).

### Merger reserve

Merger reserve represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares and net asset value of the subsidiaries acquired which is accounted for under “merger accounting”.

## 24. Share-based payment

The ESOS of the Company was approved and adopted by its members on 6 June 2016.

Information regarding the ESOS is set out below:

- (i) Group employees (including Directors of the Company) who have attained the age of 21 years and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have been in the employment of the Group for a period of at least 12 months, or such shorter period as the Remuneration Committee may determine, are eligible to participate in the ESOS.
- (ii) The maximum discount shall not exceed 20% of the market price on the date of the grant of the options.
- (iii) The options granted with the exercise price set at market price should only be exercised after the first anniversary from the grant date and before the tenth anniversary of the grant date.
- (iv) The option granted with exercise price set at a discount to market price should only be exercised after the second anniversary from the grant date and before the tenth anniversary of the grant date.
- (v) The option shall immediately lapse and become null and void when the participant cease to be in employment of the Group.
- (vi) All options are settled by delivery of shares.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 24. Share-based payment (Continued)

On 20 April 2017, the Company granted 1,156,500 share options, at exercise price of S\$0.40 for each share, to the eligible employees of the Group. The options shall be vested equally over three years, first year of vesting being two years from the grant date. The options shall be exercised (a) before the fifth anniversary of the grant date, failing which all unexercised options shall immediately lapse and become null and void, and (b) in whole and not in part, i.e. all at once, not multiple series of smaller lots.

Details of the share options outstanding during the financial year are as follows:

	<b>Group and Company</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Number of share options</b>	<b>Weighted average exercise price</b>	<b>Number of share options</b>	<b>Weighted average exercise price</b>
	<b>('000)</b>	<b>S\$</b>	<b>('000)</b>	<b>S\$</b>
Outstanding at the beginning of the financial year	–	–	859	0.40
Lapsed or expired during the financial year	–	–	(859)	0.40
Outstanding at the end of the financial year	–	–	–	–
Exercisable at the end of the financial year	–	–	–	–

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

### Fair value of share options and assumptions

Date of grant of options	<u>20 April 2017</u>
Fair value at measurement date	S\$0.128
Share price	S\$0.345
Exercise price	S\$0.40
Expected volatility	53.63%
Expected option life	5 years
Expected dividends yield	2.26%
Risk-free interest rate	1.62%

The expected volatility is based on the historical volatility of comparable companies (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions and non-market performance conditions associated with the share option grants. Service conditions are taken into account in the measurement of the fair value of the services to be received at the grant date.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 25. Bank borrowing

	Group	
	2023	2022
	S\$'000	S\$'000
Property loan		
– Current	27	32
– Non-current	473	498
	<u>500</u>	<u>530</u>
Repayable:		
Within one year	27	32
Within two to five years	130	134
More than five years	343	364
	<u>500</u>	<u>530</u>

The property loan is secured by first legal mortgage over the Tradehub21 Property and guaranteed by the Company and its subsidiary, Advancer Global Security Pte. Ltd. Repayment commences on 30 September 2017 in instalments with final instalment on 31 August 2037. The property loan bears interest at 4.78% (2022: 1.65%) per annum from 7 August 2023 to 6 August 2025 and the bank's prevailing enterprise financing rate for the subsequent years.

The carrying amount of the Group's bank borrowing approximates its fair value due to the interest rate approximates the market rate prevailing at end of the financial year.

The bank borrowing is denominated in Singapore dollar.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 26. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Trade payables				
– Third parties	1,040	805	–	–
– Related party	281	31	–	–
– Subcontractor	30	*	–	–
Total trade payables	<u>1,351</u>	<u>836</u>	<u>–</u>	<u>–</u>
Other payables				
– Related parties	47	4	–	–
– Accrued operating expenses	5,291	4,620	92	90
– Deferred income	61	206	–	–
– Deposit received	29	22	–	–
– Dividend payables to non-controlling interests	90	130	–	–
– Credit notes to customers	228	216	–	–
– Provision for warranties	–	1	–	–
– GST payables	1,052	862	–	–
– Withholding tax	2	2	2	2
Total other payables	<u>6,800</u>	<u>6,063</u>	<u>94</u>	<u>92</u>
Total trade and other payables	<u>8,151</u>	<u>6,899</u>	<u>94</u>	<u>92</u>

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

Trade payables are non-interest bearing and the average credit period on purchases of supplies and services range from 31 to 60 (2022: 31 to 60) days according to the terms agreed with the suppliers.

Deferred income relates to government grant received and is recognised as income in profit or loss on a systematic basis over the period in which the related costs, for which the grant is intended to compensate.

Credit notes to customers relate to amount refundable to employers for return of MDWs placed and goodwill rebate to customers during the financial year.

The Group provides five-year warranties relating to pest control services rendered that failed to perform satisfactorily. The provision for warranties represents the management's best estimates of total cost of corrective treatment with reference to historical trends within the warranty periods granted.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 26. Trade and other payables (Continued)

Movements in the provision for warranties are as follows:

	<u>Group</u>	
	2023	2022
	S\$'000	S\$'000
At beginning of financial year	1	2
Reversal of provision	(1)	(1)
At end of financial year	-	1

The currency profiles of the Group's and Company's trade and other payables as at 31 December 2023 and 31 December 2022 are as follows:

	<u>Group</u>		<u>Company</u>	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore dollar	8,151	6,899	94	92

## 27. Contract liabilities from contracts with customers

	<u>Group</u>		1 January
	2023	2022	2022
	S\$'000	S\$'000	S\$'000
<b>Contract liabilities</b>			
Advance consideration	874	829	1,146

Advance consideration relates to advances received for provision of Employment Services, Building Management Services and Security Services. Revenue for Employment services and Security services are recognised at the point in time whereas revenue for Building Management services is recognised over time or at a point in time although the customer pays for the services at the contract inception date. A contract liability is recognised for the advances received from the customers and is derecognised as and when the performance obligation is satisfied. Contract liabilities for the financial year ended 31 December 2023 increased due to more advances received from customers during the financial year.

The Group's revenue recognised in the financial years that was included in the contract liabilities balance at the beginning of the respective financial years is as follows:

	<u>Group</u>	
	2023	2022
	S\$'000	S\$'000
Amounts included in contract liabilities at the beginning of the financial year		
- Service income from Employment Services	341	627
- Service income from Building Management Services	171	247
- Service income from Security Services	115	51
	627	925



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. Contingent liabilities

As at 31 December 2023, the Company has given corporate guarantee amounting to S\$688,000 (2022: S\$688,000) to a bank in respect of a banking facility granted to a subsidiary (Note 25).

The Company has evaluated the fair value of the corporate guarantee. Consequently, the Company is of the view that the fair value of the guarantee to the bank with regard to the subsidiary is not significant. The Company has not recognised any liability in respect of the guarantee given to the bank for banking facility granted to the subsidiary as the Company's directors have assessed that the likelihood of the subsidiary defaulting on repayment is remote.

As at the end of the financial year, the total amount of outstanding bank borrowing covered by corporate guarantee is S\$500,000 (2022: S\$530,000) (Note 25). Such guarantee is in the form of a financial guarantee as they require the Company to reimburse the bank if the subsidiary to which the guarantee was extended fail to make principal or interest repayments when due in accordance with the terms of the borrowing. There has been no default or non-repayment since the utilisation of the banking facility.

As at the end of the financial year, the Company had also given undertakings to certain subsidiaries for providing them with continued financial support. The financial support enable these subsidiaries to operate as going concern and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

From time to time, in the normal course of business, the Group is involved in legal proceedings. The directors believe that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of the Group.

## 29. Significant related party transactions

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
  - (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and Company if any of the following conditions applies:
  - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 29. Significant related party transactions (Continued)

- (b) An entity is related to the Group and Company if any of the following conditions applies: (Continued)
- (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's and Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Group and the Company entered into the following significant transactions with related parties:

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Subsidiaries</b>				
Dividend income	-	-	-	-
Advances to subsidiaries	-	-	3,494	2,671
<b>Related parties</b>				
Service income from related parties	*	10	-	-
Service income from associates	6	13	-	-
Purchases from related parties	1	1	-	-
Purchases from non-controlling interests	461	279	-	-
Purchases from an associate	49	87	-	-
Staff costs recharged by an associate	-	37	-	-
Payment on behalf by related parties	105	135	-	-
Lease from related parties	26	77	-	-

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 29. Significant related party transactions (Continued)

### *Key management personnel remuneration*

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Salaries, bonuses and other employee benefits	3,783	3,971
Defined contribution plan	357	368
	<u>4,140</u>	<u>4,339</u>
<b>Directors' fees</b>		
Directors of the Company	<u>147</u>	<u>148</u>

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly, including any director (whether executive or otherwise) of that company.

The key management personnel comprise directors and senior management of the Company and its subsidiaries such as Head of Employment Services Business, Chief Financial Officer, and their compensation is disclosed as above.

The key management personnel also participate in the Group's ESOS. At the end of the financial year, no share options granted to the key management personnel of the Group were outstanding.

## 30. Financial instruments and financial risks

The Group's activities expose it to credit risk, market risk (including foreign currency risk, equity price risk and interest rate risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

### **Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Financial instruments and financial risks (Continued)

### Credit risk (Continued)

The Group's credit risk arises mainly from bank balances, trade and other receivables and other debt instruments carried at amortised cost. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 365 days. Due to the nature of the industry that the Group operates in, the Group has rebutted the presumption that default has taken place when the financial asset is more than 30 days past due as per SFRS(I) 9.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk <sup>(1)</sup>	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is less than or equal to 365 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition <sup>(2)</sup> or financial asset is more than 365 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired <sup>(3)</sup>	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount <sup>(4)</sup>	Written off

#### Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Financial instruments and financial risks (Continued)

### *Credit risk (Continued)*

#### Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 365 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are more than 365 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

#### Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 365 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

#### Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cash flows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Financial instruments and financial risks (Continued)

### ***Credit risk (Continued)***

Note 4. Write off (Continued)

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

With reference to Note 28, the Company provides financial guarantee to a bank in respect of bank facility granted to a subsidiary. The date when the Group becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Group considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantees is insignificant to the Company.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

### Trade receivables (Note 20)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed through the age analysis, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the country and the growth rates of the major industries which its customers operate in.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Financial instruments and financial risks (Continued)

### Credit risk (Continued)

Trade receivables (Note 20) (Continued)

The loss allowance for trade receivables are determined as follows:

	Current	Past due for 1 to 30 days	Past due for 31 to 60 days	Past due for 61 to 90 days	Past due for 91 to 365 days	Past due more than 365 days	Total
<b>31 December 2023</b>							
Expected credit loss rates	-	-	-	-	15%	68%	
Trade receivables (Gross) (S\$'000)	5,453	2,362	1,356	436	942	241	10,790
Loss allowance (S\$'000)	-	-	-	-	142	164	306
<b>31 December 2022</b>							
Expected credit loss rates	-	-	-	-	^	99%	
Trade receivables (Gross) (S\$'000)	4,247	2,080	1,357	586	1,186	234	9,690
Loss allowance (S\$'000)	-	-	-	-	*	231	231

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

^ Denotes percentage less than 1%

The age analysis of trade receivables neither past due nor impaired and past due but not impaired is as follows:

	Group	
	2023 S\$'000	2022 S\$'000
Not past due	5,453	4,247
Past due for 1 to 30 days	2,362	2,080
Past due for 31 to 60 days	1,356	1,357
Past due for 61 to 90 days	436	586
Past due for 91 to 365 days	800	1,186
Past due for more than 365 days	77	3
	<u>10,484</u>	<u>9,459</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Financial instruments and financial risks (Continued)

### *Credit risk (Continued)*

#### Other receivables from third parties, related parties, deposits and staff loans (Note 20)

As at 31 December 2023, the Group and the Company recorded other receivables from third parties, related parties, deposits and staff loans of S\$1,523,000 and S\$39,000 (2022: S\$1,418,000 and S\$90,000) respectively. The Group assessed that there is no significant increase in credit risk since the initial recognition of the other receivables from third parties, related parties, deposits and staff loans. The Group's assessment is based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtor and an assessment of both the current and forecast general economic conditions at the reporting date. Using 12-month ECL, the Group determined that the ECL is approximately S\$219,000.

#### Other receivables on loan receivable from an associate (Note 20)

As at 31 December 2023, the Group recorded loan of S\$2,492,000 (2022: S\$2,492,000) to an associate, G3, which is non-interest bearing, unsecured and repayable on demand. In their assessment of the ECL relating to the loan receivable, it has been assessed that there is no significant increase in credit risk from initial recognition. Management assessed the ECL relating to the loan receivable from the associate based on 12-month ECL. The Group considered the ability of G3 to settle the loan on a repayable on demand basis after taking into consideration the financials of G3 as of the reporting date. The Group measured and determined that the 12-month ECL for the loan receivable from its associate to be insignificant.

#### Other receivables from subsidiaries and dividend receivables from subsidiaries (Note 20)

As at 31 December 2023, the Company recorded other receivables from subsidiaries and dividend receivables from subsidiaries of S\$16,920,000 (2022: S\$12,404,000) consequent to an extension of advances to the subsidiaries. The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of the subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 31 December 2023, the past financial performance and cash flow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in. Using 12-month ECL, the Company determined that the ECL is approximately S\$515,000.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Financial instruments and financial risks (Continued)

### Credit risk (Continued)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade receivables and other receivables is as follows:

<b>Group</b> <b>Internal credit risk grading</b>	<b>Trade receivables</b>			<b>Other receivables</b>	
	<b>Note (i)</b>	<b>Category 4</b>	<b>Total</b>	<b>Category 4</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Loss allowance</b>					
<b>Balance at 1 January 2022</b>	270	3	273	–	–
Reclassification between categories	(22)	22	–	–	–
Financial asset repaid	(78)	–	(78)	–	–
Impairment loss recognised	58	–	58	–	–
Written off	–	(22)	(22)	–	–
<b>Balance at 31 December 2022</b>	228	3	231	–	–
Reclassification between categories	(56)	56	–	–	–
Financial asset repaid	(28)	–	(28)	–	–
Impairment loss recognised	159	–	159	219	219
Written off	–	(56)	(56)	–	–
<b>Balance at 31 December 2023</b>	303	3	306	219	219
<b>Gross carrying amount</b>					
At 31 December 2022	9,687	3	9,690	5,001	5,001
At 31 December 2023	10,787	3	10,790	5,016	5,016
<b>Net carrying amount</b>					
At 31 December 2022	9,459	–	9,459	5,001	5,001
At 31 December 2023	10,484	–	10,484	4,797	4,797

Note (i) For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Financial instruments and financial risks (Continued)

### *Credit risk (Continued)*

The movement in the loss allowance during the financial year and the Company's exposure to credit risk in respect of the other receivables is as follows:

<u>Company</u>	<u>Other receivables</u>
<u>Internal credit risk grading</u>	<u>Category 1</u>
	<u>S\$'000</u>
<b><u>Loss allowance</u></b>	
<b>Balance at 1 January 2022</b>	–
Impairment loss recognised	515
<b>Balance at 31 December 2022 and 31 December 2023</b>	<u>515</u>
<b><u>Gross carrying amount</u></b>	
At 31 December 2022	<u>12,494</u>
At 31 December 2023	<u>16,959</u>
<b><u>Net carrying amount</u></b>	
At 31 December 2022	<u>11,979</u>
At 31 December 2023	<u>16,444</u>

### *Market risk*

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, equity price and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### Foreign currency risk

The Group is not exposed to significant foreign currency risk on its assets and liabilities that are denominated in currency other than the functional currency of the Group as at the reporting date.

The Group do not have any foreign currency denominated monetary assets and monetary liabilities as at 31 December 2023 and 2022.

#### Equity price risk

The Group is exposed to equity risk arising from equity investments classified as at financial assets at FVTPL. These securities are quoted in Singapore dollar and United States dollar. To manage the price risk, the Group monitors share price on a daily basis.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Financial instruments and financial risks (Continued)

### Market risk (Continued)

#### Equity price risk (Continued)

If prices for equity securities listed in Singapore change by 5% (2022: 5%) with all variables including tax rate being held constant, the effects on equity will be:

<u>Group</u>	Increase/(Decrease) in Profit or loss	
	2023	2022
	S\$'000	S\$'000
Listed in Singapore		
- increased by	117	120
- decreased by	(117)	(120)

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk relates to interest-bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

The Group's interest rate risk arises primarily from the floating rate borrowings with financial institutions.

The Group's exposure to interest rate risk is disclosed in the Notes 17 and 25 to the financial statements, and the interest rates are as follows:

	<u>Group</u>	
	2023	2022
Bank loan	4.78%	1.65%
Lease liabilities	3.00% to 6.17%	3.00% to 6.17%

#### Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk for interest-bearing financial liabilities at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole financial year. The sensitivity analysis assumes an instantaneous 3% (2022: 3%) change in the interest rates from the end of the financial year, with all variables held constant.

<u>Group</u>	Increase/(Decrease) in Profit or Loss	
	2023	2022
	S\$'000	S\$'000
Bank loan	12	13

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Financial instruments and financial risks (Continued)

### *Market risk (Continued)*

#### **Interest rate benchmark reform and associated risks**

In view of the reform of major interest rate benchmarks that is being undertaken globally, the Group monitors and manages its potential transition to alternative rates, as applicable. The Group evaluates the contracts that could be affected, and takes a proactive approach in approaching the relevant counterparties to discuss about and assess the potential impact on the Group.

The Group applied the practical expedient under the Phase 2 amendments to SFRS(I) 9 Financial Instruments, SFRS(I) 1-39 Financial Instruments: Recognition and Measurement and SFRS(I) 7 Financial Instruments: Disclosures, which assist entities in applying the Standards when changes are made to contractual cash flows or hedging relationships because of the ongoing reform of inter-bank offered rates (“IBOR”) and other interest rate benchmarks (the “reform”), to not consider whether the changes required by the Reform to contractual cash flows of financial instrument measured at amortised cost would result in the derecognition of the financial asset or financial liability. Instead, the Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate used. The exception applies only to the extent that the change is required by interest rate benchmark reform when both these conditions are met:

- a) the change is necessary as a direct consequence of the reform; and
- b) the new basis for determining the contractual cash flows as a result of the reform is economically equivalent to the previous basis.

As at 31 December 2023, the Group has amended the terms and conditions of the borrowing that is indexed to SIBOR to the new benchmark rate (i.e. SORA).

### **Liquidity risk**

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group’s operations are financed mainly through equity and borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

The repayment terms of the lease liabilities and bank loans are disclosed in Notes 17 and 25 to these financial statements respectively.

The following table details the Group’s remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Financial instruments and financial risks (Continued)

### Liquidity risk (Continued)

<u>Group</u>	Effective	1 year or less	2 to 5 years	Over 5 years	Total
	Interest rate				
	%	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Undiscounted financial assets</u></b>					
Trade and other receivables	-	15,281	-	-	15,281
Less: Advances to recruiters and suppliers	-	(466)	-	-	(466)
Less: Deferred cost	-	(116)	-	-	(116)
Less: Prepayments	-	(377)	-	-	(377)
Less: Receivable from government credit schemes	-	(42)	-	-	(42)
		14,280	-	-	14,280
Cash and bank balances	2.70 - 3.70	16,293	-	-	16,293
<b>As at 31 December 2023</b>		<b>30,573</b>	<b>-</b>	<b>-</b>	<b>30,573</b>
Trade and other receivables	-	14,460	-	-	14,460
Less: Advances to recruiters and suppliers	-	(376)	-	-	(376)
Less: Deferred cost	-	(125)	-	-	(125)
Less: Prepayments	-	(329)	-	-	(329)
Less: Receivable from government credit schemes	-	(261)	-	-	(261)
		13,369	-	-	13,369
Cash and bank balances	0.10 - 2.75	20,797	-	-	20,797
<b>As at 31 December 2022</b>		<b>34,166</b>	<b>-</b>	<b>-</b>	<b>34,166</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Financial instruments and financial risks (Continued)

### Liquidity risk (Continued)

<u>Group</u>	<b>Effective</b>	<b>1 year or less</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	<b>Interest rate</b>				
	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Undiscounted financial liabilities</u></b>					
Trade and other payables	–	8,151	–	–	8,151
Less: Deferred income	–	(61)	–	–	(61)
Less: GST payables	–	(1,052)	–	–	(1,052)
Less: Withholding tax	–	(2)	–	–	(2)
		<b>7,036</b>	<b>–</b>	<b>–</b>	<b>7,036</b>
Lease liabilities	3.00 - 6.17	1,532	1,100	–	2,632
Bank borrowing	4.78	41	162	353	556
<b>As at 31 December 2023</b>		<b>8,609</b>	<b>1,262</b>	<b>353</b>	<b>10,224</b>
Trade and other payables	–	6,899	–	–	6,899
Less: Deferred income	–	(206)	–	–	(206)
Less: Provision for warranties	–	(1)	–	–	(1)
Less: GST payables	–	(862)	–	–	(862)
Less: Withholding tax	–	(2)	–	–	(2)
		<b>5,828</b>	<b>–</b>	<b>–</b>	<b>5,828</b>
Lease liabilities	3.00 - 6.17	1,521	1,331	–	2,852
Bank borrowing	1.65	41	8	548	597
<b>As at 31 December 2022</b>		<b>7,390</b>	<b>1,339</b>	<b>548</b>	<b>9,277</b>
<b><u>Total undiscounted net financial assets/(liabilities)</u></b>					
<b>- at 31 December 2023</b>		<b>21,964</b>	<b>(1,262)</b>	<b>(353)</b>	<b>20,349</b>
<b>- at 31 December 2022</b>		<b>26,776</b>	<b>(1,339)</b>	<b>(548)</b>	<b>24,889</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Financial instruments and financial risks (Continued)

### Liquidity risk (Continued)

<u>Company</u>	<u>Effective Interest rate</u> %	<u>1 year or less</u> S\$'000
<b><u>Undiscounted financial assets</u></b>		
Trade and other receivables		16,450
Less: Prepayments		(6)
		<u>16,444</u>
Cash and cash equivalents	3.00-3.70	9,168
<b>As at 31 December 2023</b>		<u>25,612</u>
Trade and other receivables		11,989
Less: Prepayments		(10)
		<u>11,979</u>
Cash and cash equivalents	0.10-2.75	13,625
<b>As at 31 December 2022</b>		<u>25,604</u>
<b><u>Undiscounted financial liabilities</u></b>		
Trade and other payables		94
Less: Withholding tax		(2)
Maximum amount of corporate guarantee		500
<b>As at 31 December 2023</b>		<u>592</u>
Trade and other payables		92
Less: Withholding tax		(2)
Maximum amount of corporate guarantee		530
<b>As at 31 December 2022</b>		<u>620</u>
<b>Total undiscounted net financial assets</b>		
<b>- at 31 December 2023</b>		<u><u>25,020</u></u>
<b>- at 31 December 2022</b>		<u><u>24,984</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. Financial instruments and financial risks (Continued)

### Liquidity risk (Continued)

#### Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets at fair value through profit or loss</b>				
Unquoted equity instruments	-	-	-	-
Quoted equity instruments	2,832	2,905	2,832	2,905
Total	2,832	2,905	2,832	2,905
<b>Financial assets at amortised cost</b>				
Trade and other receivables	15,281	14,460	16,450	11,989
Less: Advances to recruiters and suppliers	(466)	(376)	-	-
Less: Deferred cost	(116)	(125)	-	-
Less: Prepayments	(377)	(329)	(6)	(10)
Less: Receivable from government credit schemes	(42)	(261)	-	-
	14,280	13,369	16,444	11,979
Cash and cash equivalents	16,293	20,797	9,168	13,625
Total	30,573	34,166	25,612	25,604
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	8,151	6,899	94	92
Less: Deferred income	(61)	(206)	-	-
Less: Provision for warranties	-	(1)	-	-
Less: GST payables	(1,052)	(862)	-	-
Less: Withholding tax	(2)	(2)	(2)	(2)
	7,036	5,828	92	90
Lease liabilities	2,442	2,630	-	-
Bank borrowing	500	530	-	-
Total	9,978	8,988	92	90

## 31. Fair value of assets and liabilities

The fair values of applicable assets and liabilities, are determined and categorised using a fair value hierarchy as follows:

- Level 1 - the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 31. Fair value of assets and liabilities

The fair values of applicable assets and liabilities, are determined and categorised using a fair value hierarchy as follows: (Continued)

- (b) Level 2 - in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.
- (c) Level 3 - in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

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.

	Note	<u>Group</u>		
		Level 1	Level 2	Level 3
		S\$'000	S\$'000	S\$'000
<b>2023</b>				
<b><u>Recurring fair value measurements</u></b>				
<b>Financial assets:</b>				
Financial assets at FVTPL				
- Unquoted equity instruments	15	-	-	-
- Quoted equity instruments	15	2,832	-	-
<b>As at 31 December 2023</b>		<u>2,832</u>	-	-
<b>2022</b>				
<b><u>Recurring fair value measurements</u></b>				
<b>Financial assets:</b>				
Financial assets at FVTPL				
- Unquoted equity instruments	15	-	-	-
- Quoted equity instruments	15	2,905	-	-
<b>As at 31 December 2022</b>		<u>2,905</u>	-	-

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 due to the relative short-term maturity of these financial instruments or the interest rates approximate the market rates prevailing at end of the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 31. Fair value of assets and liabilities (Continued)

### Level 3

#### Unquoted equity instruments

For unquoted equity instruments, the valuation technique has been described in Note 15.

## 32. Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debts, which includes the borrowing disclosed in Note 25 and equity attributable to owners of the Company, comprising issued capital, retained earnings and reserves as disclosed in Notes 22, 23 and statements of changes in equity.

The Group's management reviews the capital structure on a regularly basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends to shareholders, issue new shares and share buy-backs. The Group's overall strategy remains unchanged from 2022.

Management monitors capital based on a gearing ratio of less than one. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (excluding income tax payable and deferred tax liabilities as shown in the statements of financial position), less cash and cash equivalents. Total capital is calculated as total equity as shown in the statements of financial position, plus net debt.

	<u>Group</u>		<u>Company</u>	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Total liabilities	11,967	10,888	94	92
Less: Cash and cash equivalents	(16,293)	(20,797)	(9,168)	(13,625)
Net debt	(4,326)	(9,909)	(9,074)	(13,533)
Total equity	31,609	36,144	39,843	39,914
Total capital	27,283	26,235	30,769	26,381
Gearing ratio	N.M.	N.M.	N.M.	N.M.

\* N.M.: Not meaningful

The Group and the Company are not subjected to any externally imposed capital requirements during the financial years ended 31 December 2023 and 2022.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 33. Segment 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.

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.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.23.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 33. Segment information (Continued)

### Information about reportable segments

<u>Group</u>	<b>Employment Services Business</b>	<b>Building Management Services Business</b>	<b>Security Services Business</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>			
<b>2023</b>						
External sales	9,856	38,215	17,010	-	-	65,081
- Service income	9,856	38,074	16,225	-	-	64,155
- Installation services	-	11	10	-	-	21
- Sales of goods	-	130	775	-	-	905
Inter-segment revenue	105	2,997	485	-	(3,587)	-
Total revenue	9,961	21,212	17,495	-	(3,587)	65,081
Dividend income	-	-	-	135	-	135
Interest income	-	15	13	310	-	338
Interest expense	22	67	23	-	-	112
Amortisation	21	145	-	-	-	166
Depreciation	343	1,554	330	-	-	2,227
Loss allowance for receivables (trade), net	-	15	116	-	-	131
Loss allowance for receivables (non-trade)	-	-	219	-	-	219
Reportable segment loss before income tax	(350)	(2,267)	(1,528)	(71)	-	(4,216)
Share of (losses)/profit from equity						
- accounted for associates	(90)	426	(127)	-	-	209
Reportable segment assets	2,478	20,768	8,362	12,045	-	43,653
Interest in associates	8	606	5	-	-	619
Reportable segment liabilities	2,744	6,543	2,663	94	-	12,044
Capital expenditures	63	922	184	-	-	1,169

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 33. Segment information (Continued)

### Information about reportable segments (Continued)

Group	Employment	Building	Security	Unallocated	Eliminations	Total
	Services	Management	Services			
	Business	Services	Business			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2022</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
Inter-segment revenue	44	3,511	585	-	(4,140)	-
Total revenue	9,746	41,308	16,189	-	(4,140)	63,103
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
Impairment loss on goodwill	-	-	-	2,525	-	2,525
(Reversal of loss)/Loss allowance for receivables (trade), net	-	(62)	42	-	-	(20)
Reportable segment profit/(loss) before income tax	234	(4,503)	(292)	(107)	-	(4,668)
Share of (losses)/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	217	260	30	-	-	507

### Geographical information

The Group operates in one principal geographical area being Singapore except for Employment Services business in Japan through Fullcast (Note 14).

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 particular customers.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 34. Subsequent events after reporting date

- (i) On 1 February 2024, AGS, a wholly-owned subsidiary of the Company, disposed of its entire 45% shareholding interest in Eazable (the “Disposal”) for a consideration of S\$5,354.

No gain or loss on the disposal of the equity interest in Eazable was recognised by as the consideration received for the Disposal is the same as the unaudited net asset value of Eazable as at 31 December 2023. The Disposal is not expected to have any material impact on the net tangible assets per share or earnings per share of the Group for the financial year ending 31 December 2024.

- (ii) On 5 February 2024, Advancer Nation Pte. Ltd., an indirect wholly-owned subsidiary of the Company held through Advancer Global Manpower Pte. Ltd., has been struck off from the Register of Companies pursuant to Section 344A of the Companies Act 1967 of Singapore (“Strike-off”). The Strike-off is not expected to have any material impact on the net tangible assets per share or earnings per share of the Group for the financial year ending 31 December 2024.
- (iii) On 1 March 2024, KH Security Pte. Ltd., a direct wholly-owned subsidiary of the Company held through AGS, changed its name to Advancer Security Pte. Ltd.

# STATISTICS OF SHAREHOLDINGS

As at 21 March 2024

Issued and fully-paid up capital (including Treasury Shares)	:	S\$41,919,249
Issued and fully-paid up capital (excluding Treasury Shares)	:	S\$41,678,075
Number of Shares issued (including Treasury Shares)	:	252,363,591
Number of Shares issued (excluding Treasury Shares)	:	251,185,691
Number and Percentage of Treasury Shares	:	1,177,900 or 0.47%
Number and Percentage of Subsidiary Holdings	:	0 or 0%
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share

## DISTRIBUTION OF SHAREHOLDINGS AS AT 21 MARCH 2024

SIZE OF SHAREHOLDERS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	12	2.68	466	0.00
100 – 1,000	27	6.03	14,137	0.01
1,001 – 10,000	166	37.05	1,005,510	0.40
10,001 – 1,000,000	229	51.12	22,391,419	8.91
1,000,001 AND ABOVE	14	3.12	227,774,159	90.68
<b>TOTAL</b>	<b>448</b>	<b>100.00</b>	<b>251,185,691</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	UOB KAY HIAN PRIVATE LIMITED	70,221,522	27.96
2	CHIN SWEE SIEW @ CHEN YIN SIEW	38,062,126	15.15
3	CHIN MUI HIONG	37,573,963	14.96
4	CHIN MEI YANG	30,931,018	12.31
5	ONG ENG TIANG	19,985,436	7.96
6	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	12,597,500	5.02
7	TEO SAU KEONG	6,623,376	2.64
8	KEK YEW LENG @ KEK BOON LEONG	3,331,064	1.33
9	PHILLIP SECURITIES PTE LTD	1,747,015	0.70
10	CHIN YIN YEE STANLEY	1,608,100	0.64
11	ANG BOON HOW	1,491,400	0.59
12	LIM CHER KHIANG	1,280,239	0.51
13	SING CHEE NGEE	1,166,200	0.46
14	HONG LEONG FINANCE NOMINEES PTE LTD	1,155,200	0.46
15	HUI HIU FAI	827,100	0.33
16	THE KONGZI CULTURE FUND LTD	806,878	0.32
17	DBS NOMINEES (PRIVATE) LIMITED	750,200	0.30
18	CHAN HOCK LYE	716,400	0.29
19	JAMES ALVIN LOW YIEW HOCK	691,106	0.28
20	CHUA TAI WEE (CAI DAWEI)	675,000	0.27
	<b>TOTAL</b>	<b>232,240,843</b>	<b>92.48</b>

# STATISTICS OF SHAREHOLDINGS

As at 21 March 2024

## SUBSTANTIAL SHAREHOLDERS AS AT 21 MARCH 2024 AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder	Direct Interests		Deemed Interests	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
FULLCAST HOLDINGS CO., LTD. <sup>(2)</sup>	65,000,000	25.88	–	–
HIRANO ASSOCIATES CO., LTD. <sup>(2)</sup>	–	–	65,000,000	25.88
TAKEHITO HIRANO <sup>(2)</sup>	–	–	65,000,000	25.88
CHIN SWEE SIEW @ CHEN YIN SIEW	38,062,126	15.15	–	–
CHIN MUI HIONG	37,573,963	14.96	–	–
CHIN MEI YANG	30,931,018	12.31	–	–
ONG ENG TIANG	19,985,436	7.96	–	–
MOHAMED ABDUL JALEEL S/O MUTHUMARICAR SHAIK MOHAMED <sup>(3)</sup>	1,502,500	0.60	12,500,000	4.98

### Notes:

- (1) The shareholdings percentage are calculated based on 251,185,691 issued shares of the Company, excluding treasury shares.
- (2) Takehito Hirano and his family hold 100% ordinary shareholdings in Hirano Associates Co., Ltd. ("**Hirano Associates**") (of which Takehito Hirano himself holds 18.04% ordinary shares). In addition, Takehito Hirano is a director and the Chairman of Fullcast Holdings Co., Ltd. ("**Fullcast**"). Hirano Associates holds 36.35% ordinary shares in Fullcast, which in turn holds 25.88% ordinary shares of the Company (excluding treasury shares). Hence, Takehito Hirano and Hirano Associates are deemed interested in the 65,000,000 shares held by Fullcast in the Company by virtue of Section 7 of the Companies Act.
- (3) Mr. Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed is deemed interested in the 12,500,000 shares held by MES Group Holdings Pte. Ltd. ("**MES GH**") in the share capital of the Company through his 100% interests held in MES GH. The shares of the Company held by MES GH are through CGS-CIMB Securities (Singapore) Pte. Ltd.. Mr. Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed also holds 1,502,500 shares through Phillip Securities Pte. Ltd..

## SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 15.72% of the issued ordinary shares in the capital of the Company was held in the hands of the public as at 21 March 2024. Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited has therefore been complied with.



# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of Advancer Global Limited (the “**Company**”) will be held at 135 Jurong Gateway Road, #06-317, Singapore 600135 on Tuesday, 30 April 2024 at 10:00 a.m. for the following business: -

## AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors’ Statement and the Independent Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Mr Ong Eng Tiang who is retiring pursuant to Regulation 117 of the Company’s Constitution, and who, being eligible, offers himself for re-election, as Director of the Company. [See *Explanatory Note (i)*] **(Resolution 2)**
3. To re-elect Mr Takehito Hirano who is retiring pursuant to Regulation 117 of the Company’s Constitution, and who, being eligible, offers himself for re-election, as Director of the Company. [See *Explanatory Note (ii)*] **(Resolution 3)**
4. To re-elect Mr Lim Chong Huat who is retiring pursuant to Regulation 122 of the Company’s Constitution, and who, being eligible, offers himself for re-election, as Director of the Company. [See *Explanatory Note (iii)*] **(Resolution 4)**
5. To approve the payment of Directors’ fees of S\$149,000 for the financial year ending 31 December 2024, payable quarterly in arrears. (FY2023: S\$152,000) **(Resolution 5)**
6. To re-appoint Messrs Mazars LLP as auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
7. To transact any other ordinary business which may properly be transacted at an annual general meeting of the Company.

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without amendments, as Ordinary Resolutions: -

8. **Authority to issue shares and convertible securities** **(Resolution 7)**

“That, pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”), the Constitution and Rule 806 of the Catalist Rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”), authority be and is hereby given to the Directors of the Company to:

  - (a) (i) allot and issue shares in the capital of the Company (the “**Shares**”) whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements, or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares,

# NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue:
  - (i) additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and
  - (ii) Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force or such additional instruments in (b)(i) above,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed;
- (2) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of passing of this Resolution, after adjusting for:
  - (i) new Shares arising from the conversion or exercise of convertible securities;
  - (ii) new Shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time of passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of Shares;

# NOTICE OF ANNUAL GENERAL MEETING

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.”

[See Explanatory Note (iv)]

9. **Authority to allot and issue Shares under Advancer Global Limited Scrip Dividend Scheme (Resolution 8)**

That pursuant to Section 161 of the Companies Act, Catalist Rules and the Constitution of the Company, authority be and is hereby given to the Directors to allot and issue from time to time such number of ordinary Shares as may be required to be allotted and issued pursuant to Advancer Global Limited Scrip Dividend Scheme.

[See Explanatory Note (v)]

10. **Authority to grant options and allot and issue Shares under Advancer Global Employee Share Option Scheme (Resolution 9)**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Advancer Global Employee Share Option Scheme (“**Advancer Global ESOS**”) and to allot and issue or deliver from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the exercise of options granted under the Advancer Global ESOS, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Advancer Global ESOS, when aggregated to the aggregate number of Shares issued and issuable or transferred and to be transferred in respect of all options under any other share option schemes shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time. The authority conferred by this Resolution shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (vi)]

# NOTICE OF ANNUAL GENERAL MEETING

## 11. Authority to grant awards and allot and issue Shares under Advancer Global Performance Share Plan (Resolution 10)

That authority be and is hereby given to the Directors to offer and grant awards in accordance with the provisions of the Advancer Global Performance Share Plan (“**Advancer Global PSP**”) and to allot and issue or deliver from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the vesting of awards under the Advancer Global PSP, provided that the aggregate number of Shares to be allotted and issued pursuant to the Advancer Global PSP when aggregated with the aggregate number of Shares over which awards are granted under any other share schemes shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time. The authority conferred by this Resolution shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (vii)]

## 12. Proposed Renewal of Share Buy-Back Mandate (Resolution 11)

That:

- (a) for the purposes of the Catalist Rules and the Companies Act, the exercise by Directors of all the powers of the Company to purchase or otherwise acquire the issued ordinary Shares in the capital of the Company not exceeding in aggregate the Prescribed Limit (as defined herein), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:
  - (i) on-market purchases, transacted on the SGX-ST through the SGX-ST’s trading system or, as the case may be, any other securities exchange on which the Shares may, for the time being, be listed (“**Market Purchase**”); and/or
  - (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) which shall satisfy all the conditions prescribed by the Companies Act, as may be determined or formulated by the Directors as they may consider fit (“**Off-Market Purchase**”),

and otherwise in accordance with all other laws, regulations and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buy-back Mandate**”);

# NOTICE OF ANNUAL GENERAL MEETING

- (b) the authority conferred on the Directors pursuant to the Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next annual general meeting of the Company is held or required by the law to be held;
  - (ii) the date on which the Share Buy-backs have been carried out to the full extent mandated under the Share Buy-back Mandate; or
  - (iii) the date on which the authority contained in the Share Buy-back Mandate is varied or revoked by Shareholders in a general meeting;
- (c) in this Resolution:

**“Prescribed Limit”** means 10% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of passing of this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered (excluding any treasury shares and subsidiary holdings) that may be held by the Company from time to time;

**“Maximum Price”** in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined herein); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price, where:

**“Average Closing Price”** means the average of the closing market prices of the Shares over the last 5 Market Days on which the Shares are transacted on Catalist or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the Offer Date pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs during the relevant five (5) Market Day period and the day of the Market Purchase or as the case may be, the Offer Date (as defined herein) pursuant to the Off-Market Purchase;

**“Market Day”** means a day on which the SGX-ST is open for trading in securities; and

**“Offer Date”** means the date on which the Company makes an offer for a Share Buy-back, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

# NOTICE OF ANNUAL GENERAL MEETING

- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See *Explanatory Note (viii)*]

By Order of the Board

Sin Chee Mei  
Company Secretary

Singapore, 15 April 2024

## EXPLANATORY NOTES:

- (i) **Ordinary Resolution 2** - Mr Ong Eng Tiang will, upon re-election as a Director of the Company, remain as an Executive Director of the Company. Detailed information on Mr Ong Eng Tiang can be found under the “Board of Directors”, “Corporate Governance Report” and “Disclosure of information on Directors seeking re-election” sections in the Company’s Annual Report.
- (ii) **Ordinary Resolution 3** - Mr Takehito Hirano will, upon re-election as a Director of the Company, remain as a Non-Independent and Non-Executive Director of the Company. Detailed information on Mr Takehito Hirano can be found under the “Board of Directors”, “Corporate Governance Report” and “Disclosure of information on Directors seeking re-election” sections in the Company’s Annual Report.
- (iii) **Ordinary Resolution 4** - Mr Lim Chong Huat will, upon re-election as a Director of the Company, remain as an Independent and Non-Executive Director of the Company, Chairman of Audit Committee and a member of Remuneration Committee. He is considered independent for the purposes of Rule 704(7) of the Catalist Rules. Detailed information on Mr Lim Chong Huat can be found under the “Board of Directors”, “Corporate Governance Report” and “Disclosure of information on Directors seeking re-election” sections in the Company’s Annual Report.
- (iv) **Ordinary Resolution 7**, if passed, will empower the Directors from the date of this AGM until the date of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company, of which the total number of Shares issued other than on a pro-rata basis to existing shareholders of the Company, shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company.
- (v) **Ordinary Resolution 8**, if passed, will empower the Directors, to allot and issue ordinary Shares pursuant to the Advancer Global Limited Scrip Dividend Scheme (“**Scheme**”) should the Company decide to apply the Scheme to any dividend declared by the Company from the date of this Annual General Meeting until the date of the next annual general meeting of the Company.
- (vi) **Ordinary Resolution 9**, if passed, will empower the Directors of the Company to offer and grant options, and to allot and issue new Shares in the capital of the Company, pursuant to the Advancer Global ESOS as may be modified by the Remuneration Committee from time to time, provided that the aggregate number of Shares to be allotted and issued pursuant to the Advancer Global ESOS shall not exceed 15% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.
- (vii) **Ordinary Resolution 10**, if passed, will empower the Directors of the Company to offer and grant awards, and to allot and issue new Shares in the capital of the Company, pursuant to the Advancer Global PSP as may be modified by the Remuneration Committee from time to time, provided that the aggregate number of Shares to be allotted and issued pursuant to the Advancer Global PSP shall not exceed 15% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.

# NOTICE OF ANNUAL GENERAL MEETING

- (viii) **Ordinary Resolution 11**, if passed, will empower the Directors of the Company to make purchases or otherwise acquire the Company's issued Shares from time to time subject to and in accordance with the guidelines set out in the Addendum to Shareholders dated 15 April 2024. The authority will expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier, unless previously revoked or waived at a general meeting.

## NOTES:

### (a) Participation in the AGM

1. The Annual General Meeting (the "**Meeting**" or "**AGM**") will be held, in a wholly physical format at the AGM venue set out above and there will be no option for members to participate virtually. The Notice of AGM, Proxy Form, Request Form, the Annual Report will be made available on the SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://advancer.listedcompany.com/announcements.html/year/2024>. A printed copy of the Notice of AGM, Proxy Form and Request Form will be sent to the members of the Company.
2. Members may participate in the AGM by:
  - (a) attending the AGM in person;
  - (b) submitting questions in relation to any agenda item in this Notice of AGM in advance of, or at the AGM; and/or
  - (c) voting at the AGM by themselves or through their duly appointed proxy(ies).

Details of the steps for registration, asking of questions and voting at the AGM by members, are set out in the notes below.

### (b) Registration in person to attend the AGM

1. Members, including CPF and SRS investors can attend the AGM in person.

To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Please bring along your NRIC/Passport to enable the Company to verify your identity. Members and/or their proxy(ies) are advised to arrive early to facilitate the registration process and exercise social responsibility and not to attend the AGM if they are feeling unwell. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.
2. For investors who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act) including CPF and SRS Investors and who wish to participate in the AGM should contact their respective relevant intermediaries (including CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

### (c) Asking Questions

1. Members, including CPF and SRS investors may ask question relating to the item on the agenda of the AGM during the AGM physically or submitting their question to the Company in advance ("**Advanced Questions**") by 10:00 a.m. on 23 April 2024 ("**Cut-off Time**") through any of the following means:
  - (i) by post, to be deposited at the Company's Share Registrar, In.Corp Corporate Services Pte Ltd at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
  - (ii) by email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia).
2. Members, including CPF and SRS investors must identify themselves when posting questions through email or mail by providing their full names (for individuals)/company names (for corporations), NRIC/passport number/company registration numbers, contact numbers, email address, number of shares and the manner in which they hold shares (if hold shares directly, please provide the CDP account number; otherwise, please state if you hold your shares through CPF or SRS, or are a relevant intermediary shareholders).
3. The Company will address all substantial and relevant Advanced Questions through announcement on the SGX website at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://advancer.listedcompany.com/announcements.html/year/2024> by 10:00 a.m. on 25 April 2024.
4. The Company will endeavor to address (i) subsequent clarifications sought, (ii) follow-up questions, or (iii) subsequent substantial and relevant questions which are received after the Cut-off Time at the AGM itself or via an announcement on SGXNet and the Company's website. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
5. The Company will, within one month after the AGM, publish the minutes of the AGM on the SGXNet and the Company's website and the minutes will include the responses to the substantial and relevant questions raised during the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

## (d) Voting at the AGM or voting by appointing proxy(ies)

1. Members will be able to vote at the AGM in person, or by appointing proxy(ies) to vote on their behalf.
2. Duly completed proxy forms must be submitted through any of the following means no later than 10:00 a.m., 27 April 2024, being no later than seventy-two (72) hours before the time appointed for holding the AGM and in default the instrument of proxy shall not be treated as valid:
  - (i) If sent personally or by post, the proxy form must be lodged at the Company's Share Registrar, In.Corp Corporate Services Pte Ltd at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
  - (ii) If by email, the proxy form must be received at [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia)

The proxy form is made available on SGXNet and the Company's corporate website at <https://advancer.listedcompany.com/announcements.html/year/2024> and may be accessed through announcement on the SGX website at <https://www.sgx.com/securities/company-announcements>.

The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act or under the hand of an attorney or an officer duly authorized, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

3. A proxy need not be a member of the Company.
4. A member of the Company which is a corporation is entitled to appoint its authorized representatives or proxies to vote on his behalf.
5. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

If a member wishes to appoint the Chairman of the Meeting as proxy, such member must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
6. For investors who holds shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS Investors:
  - (a) may vote at the AGM if they are appointed as proxies by their respective relevant intermediaries, and should contact their respective relevant intermediaries if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM,

in which case they should approach their relevant intermediaries to submit their votes at least seven (7) working days prior to the AGM.

7. A member (other than a Relevant Intermediary) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints more than one (1) proxy, the proportion of the shareholding concerned to the represented by each proxy shall be specified in the form of the proxy.
8. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote in his/her stead at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.



# NOTICE OF ANNUAL GENERAL MEETING

## PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing the Chairman of the Meeting, proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), addressing relevant and substantial questions from members received before and/or during the AGM and if necessary, following up with the relevant members in relation to such questions and enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Photographic, sound, and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of the member of the Company or the member's proxy(ies) or representative(s) (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she propose/second) may be recorded by the Company for such Purposes.

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*This notice has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").*

*This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.*

*The contact person for the Sponsor is Ms Charmian Lim (Telephone no.: 65-6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*

# ADVANCER GLOBAL LIMITED

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

## ANNUAL GENERAL MEETING PROXY FORM

### IMPORTANT

1. The Annual General Meeting ("AGM") will be held physically at 135 Jurong Gateway Road, #06-317, Singapore 600135. Members have no option to participate virtually.
2. A Relevant Intermediary may appoint more than two proxies to attend the AGM and vote (please see note 2 for the definition of "Relevant Intermediary").
3. For investors holding through a Relevant Intermediary including CPF and SRS investors, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. The investors should contact their respective relevant intermediary, Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies.

I/We\*, \_\_\_\_\_ (Name), \_\_\_\_\_ (NRIC/Passport No./Co. Reg. No.\*)

of \_\_\_\_\_ (Address)

being a member/members of **ADVANCER GLOBAL LIMITED**, (the "Company"), hereby appoint

Name	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate):

Name	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing \*him/her, the Chairman of the Meeting, as \*my/our proxy/proxies to vote for \*me/us on \*my/our behalf, at the Annual General Meeting (the "Meeting" or "AGM") of the Company, to be held physically at 135 Jurong Gateway, #06-317, Singapore 600135 on Tuesday, 30 April 2024 at 10:00 a.m. and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for, against or abstain the Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting is given, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid at the AGM and at any adjournment thereof.

No.	Resolutions	For	Against	Abstain
1.	Adoption of Audited Financial Statements, Directors' Statement and Auditors' Report for the financial year ended 31 December 2023			
2.	Re-election of Mr Ong Eng Tiang as Director			
3.	Re-election of Mr Takehito Hirano as Director			
4.	Re-election of Mr Lim Chong Huat as Director			
5.	Approval of payment of Directors' Fees of S\$149,000 for the financial year ending 31 December 2024, payable quarterly in arrears			
6.	Re-appointment of Messrs Mazars LLP as auditors and to authorise the Directors to fix their remuneration			
7.	Authority to issue shares and convertible securities			
8.	Authority to allot and issue shares under Advancer Global Limited Scrip Dividend Scheme			
9.	Authority to grant options and allot and issue shares under Advancer Global Employee Share Option Scheme			
10.	Authority to grant awards and allot and issue shares under Advancer Global Performance Share Plan			
11.	Proposed renewal of Share Buy-back Mandate			

\*Delete where inapplicable

NOTES: All resolutions put to vote at the AGM shall be decided by way of poll. If you wish to exercise all your votes "For" or "Against" or "Abstain" the relevant resolution, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy, not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this \_\_\_\_\_ day of April 2024

Total Number of Shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s)/  
and, Common Seal of Corporate Member

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



## NOTES

1. A member of the Company (other than a Relevant Intermediary) is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
2. A member of the Company who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

“**Relevant Intermediary**” means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a member of the Company.
  4. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.  
In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment for that resolution will be treated as invalid.
  5. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
  6. A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and registered in his name in the Register of Members, he/she should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all shares held by the member.
  7. The instrument appointing a proxy duly executed must be submitted through any one of the following means by 10:00 a.m. on 27 April 2024, being no later than seventy-two (72) hours before the time appointed for holding the AGM (or any adjournment thereof) and in default the instrument of proxy shall not be treated as valid:
    - (i) By depositing a physical copy at the Company's Share Registrar, In.Corp Corporate Services Pte Ltd at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
    - (ii) By sending a scanned PDF copy by email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia).

Members are strongly encouraged to submit completed proxy forms electronically via email.

8. For investors who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS Investors:
  - (a) may vote at the AGM if they are appointed as proxies by their respective relevant intermediaries, and should contact their respective relevant intermediaries if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM,

in which case they should approach their relevant intermediaries to submit their votes at least seven (7) working days prior to the date of the AGM.

9. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorized, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company shall be entitled to reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

## PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), to attend and vote at the AGM and/or any adjournment thereof, the member of the Company is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of Annual General Meeting of the Company dated 15 April 2024.