

**Condensed Unaudited Financial Statements
For the Second Half Year (“2H2023”) and Full Year (“FY2023”)
Ended 31 December 2023**

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Advancer Global Limited and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income
For the Second Half Year ("2H2023") and Full Year ("FY2023") ended 31 December 2023

	Note	Group			Group		
		2H2023 S\$'000	2H2022 S\$'000	Changes (%)	FY2023 S\$'000	FY2022 S\$'000	Changes (%)
Revenue	5	33,695	31,591	6.7	65,081	63,103	3.1
Cost of Sales		(26,712)	(25,158)	6.2	(52,367)	(49,821)	5.1
Gross profit		6,983	6,433	8.5	12,714	13,282	(4.3)
Other operating income		314	582	(46.0)	1,421	2,790	(49.1)
Administrative expenses		(9,746)	(11,862)	(17.8)	(18,448)	(20,657)	(10.7)
Finance expenses		(58)	(50)	16.0	(112)	(98)	14.3
Share of profit from equity-accounted for associates		12	41	(70.7)	209	15	>100
(Loss) before income tax	6	(2,495)	(4,856)	(48.6)	(4,216)	(4,668)	(9.7)
Income tax credit/(expense)	8	2	(18)	N/M	1	(5)	N/M
(Loss) for the financial year/period, representing total comprehensive income for the financial year/period		(2,493)	(4,874)	(48.9)	(4,215)	(4,673)	(9.8)
(Loss) for the financial year/period attributable to:							
Owners of the Company		(2,334)	(4,668)	(50.0)	(3,934)	(4,421)	(11.0)
Non-controlling interests		(159)	(206)	(22.8)	(281)	(252)	11.5
(Loss) for the financial year/period		(2,493)	(4,874)	(48.9)	(4,215)	(4,673)	(9.8)
Earnings per share attributable to owners of the Company							
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)		251,186	251,186		251,186	251,186	
Basic and diluted earnings per share (cents)	11	(0.93)	(1.86)		(1.57)	(1.76)	

Note:

(1) N/M – Not meaningful

Advancer Global Limited and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income For the Second Half Year ("2H2023") and Full Year ("FY2023") ended 31 December 2023

Explanatory Notes to the condensed interim consolidated statement of profit or loss and other comprehensive income

1. 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.
2. 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 Migrant Domestic Workers ("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 Progressive Wage Model ("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.

3. 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.

Advancer Global Limited and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income For the Second Half Year ("2H2023") and Full Year ("FY2023") ended 31 December 2023

4. 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 (collectively the "**Premier Group**") 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).

5. Finance expenses increased by S\$14,000 mainly due to the increase in interest expenses on lease liabilities.
6. The Group recorded share of loss of S\$217,000 from the investment in Fullcast International Co., Ltd. ("**Fullcast**") and Eazable Pte. Ltd ("**Eazable**") for FY2023, which was offset by the share of profit of S\$426,000 from the investment in G3 Environmental Private Limited ("**G3**").

Advancer Global Limited and its Subsidiaries

Condensed interim statements of financial position
As at 31 December 2023

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

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

Explanatory Notes to the condensed interim statements of financial position

1. 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.

2. 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.

3. 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.

4. 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.

Advancer Global Limited and its Subsidiaries

Condensed interim statements of changes in equity
For the financial year ended 31 December 2023

Group

Note	Attributable to owners of the Company						Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Accumulated (losses)/ profits S\$'000	Share options reserve S\$'000	Capital reserve S\$'000	Merger reserve S\$'000			
Balance at 1 January 2023	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 interest in a subsidiary without change of control	-	-	-	-	(214)	-	(214)	(106)	(320)
Balance at 31 December 2023	40,607	(241)	(4,897)	-	(854)	(2,603)	32,012	(403)	31,609
Balance at 1 January 2022	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 interest in a subsidiary without change of control	-	-	-	-	(286)	-	(286)	(354)	(640)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	(73)	(73)
Balance at 31 December 2022	40,607	(241)	(963)	-	(640)	(2,603)	36,160	(16)	36,144

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

Advancer Global Limited and its Subsidiaries

**Condensed interim statements of changes in equity
For the financial year ended 31 December 2023**

<u>Company</u>	<u>Note</u>	<u>Share capital S\$'000</u>	<u>Treasury shares S\$'000</u>	<u>Accumulated (losses)/ profits S\$'000</u>	<u>Share options reserve S\$'000</u>	<u>Total S\$'000</u>
Balance at 1 January 2023		40,607	(241)	(452)	-	39,914
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(71)	-	(71)
Balance at 31 December 2023		<u>40,607</u>	<u>(241)</u>	<u>(523)</u>	<u>-</u>	<u>39,843</u>
Balance at 1 January 2022		40,607	(241)	58	106	40,530
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(616)	-	(616)
Share options forfeited		-	-	106	(106)	-
Balance at 31 December 2022		<u>40,607</u>	<u>(241)</u>	<u>(452)</u>	<u>-</u>	<u>39,914</u>

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

Advancer Global Limited and its Subsidiaries

**Condensed consolidated interim statement of cash flows
For the financial year ended 31 December 2023**

	Group	
	FY2023	FY2022
	S\$'000	S\$'000
Operating activities		
Loss before income tax	(4,216)	(4,668)
Adjustments for:		
Amortisation of intangible assets	166	185
Impairment loss of goodwill	-	2,525
Impairment loss on investment in an associate	1	-
Bad debts written-off	1	2
Depreciation of property, plant and equipment	538	577
Depreciation of right-of-use assets	1,689	1,618
Dividend income	(135)	(153)
Fair value loss arising from quoted financial assets at fair value through profit or loss ("FVTPL")	73	30
Fair value loss arising from unquoted financial assets at FVTPL	-	125
Gain on disposal of property, plant and equipment, net	(70)	(3)
Gain on strike-off of a subsidiary	-	(23)
Gain on lease modification	(12)	(6)
Interest expense	112	98
Interest income	(338)	(197)
Loss allowance/(Reversal of loss allowance) for receivables (trade), net	131	(20)
Loss allowance for receivables (non-trade), net	219	-
Property, plant and equipment written-off	31	1
Reversal of provision for warranties	*	(1)
Share of profit from equity-accounted for associates	(209)	(15)
Write off of lease termination	-	11
Operating cash flows before movements in working capital	(2,019)	86
Changes in working capital:		
Inventories	95	(176)
Trade and other receivables	(1,171)	264
Trade and other payables	1,251	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)
Net cash (used in)/generated from operating activities	(1,466)	224
Investing activities		
Dividend received	135	153
Net cash outflow on acquisition of subsidiaries	-	(954)
Acquisition of non-controlling interests in a subsidiary/subsidiaries	(320)	(640)
Proceeds from disposal of property, plant and equipment	157	88
Purchase of property, plant and equipment	(1,169)	(507)
Purchase of quoted equity instruments held at FVTPL	-	(429)
Net cash used in investing activities	(1,197)	(2,289)

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

Advancer Global Limited and its Subsidiaries

**Condensed consolidated interim statement of cash flows
For the financial year ended 31 December 2023**

	Group	
	FY2023	FY2022
	S\$'000	S\$'000
Financing activities		
Dividends paid to non-controlling interests of subsidiaries	-	(73)
Interest paid	(16)	(17)
Repayment of bank borrowings	(30)	(32)
Repayment of lease liabilities	(1,795)	(1,813)
Net cash used in financing activities	(1,841)	(1,935)
Net decrease in cash and cash equivalents	(4,504)	(4,000)
Cash and cash equivalents at beginning of financial year	20,797	24,797
Cash and cash equivalents at end of financial year	16,293	20,797

* Denotes amount less than S\$1,000

Explanatory Notes to the condensed consolidated statement of cash flows

1. For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	Group	
	FY2023	FY2022
	S\$'000	S\$'000
Cash and bank balances	16,293	20,797
Cash and cash equivalents	16,293	20,797

2. Group's cash and cash equivalents decreased by S\$4.5 million from S\$20.8 million as at 31 December 2022 to S\$16.3 million as at 31 December 2023.

- (1) For FY2023, 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.
- (2) 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. ("**NPC**") (formerly known as Newman & Goh Property Consultants Pte Ltd) and Newman Property Services Pte. Ltd. ("**NPS**") (formerly known as Newman & Associates Pte. Ltd.).

These outflows were offset by:

- (a) Dividends received from quoted equity investments amounting to \$0.1 million; and
 - (b) Proceeds from the disposal of property, plant, and equipment totaling S\$0.2 million.
- (3) The net cash used in financing activities totalled S\$1.8 million for FY2023, primarily attributed to payment for lease liabilities.

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

Advancer Global Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the financial year ended 31 December 2023

1. Corporate information

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 Group are:

- (a) Employment agencies and maid agencies
- (b) General cleaning and stewarding services
- (c) Pest control and fumigation services
- (d) Residential real estate management, real estate agents, property management and valuation services
- (e) Integrated facility management
- (f) Landscape planting, care and maintenance services
- (g) Wholesales of electronic component
- (h) Security services
- (i) Installation and maintenance of security system and CCTV monitoring

These condensed financial statements for the six months and financial year ended, and as at 31 December 2023 comprise the Company and its subsidiaries (collectively, the “**Group**”).

2. Basis of preparation

The condensed unaudited financial statements for 2H2023 and FY2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed unaudited financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Reporting Standards (International) (“**SFRS(I)s**”), except for the adoption of new and amended standards as set out in Note 2.1. The condensed unaudited financial statements are presented in Singapore dollar which is the Company’s functional currency.

The financial statements of the Group have been prepared on a going concern basis notwithstanding its net loss of S\$4.2 million in FY2023 (FY2022: net loss of S\$4.7 million). The Group had net current assets and net assets of S\$24.7 million and S\$32.0 million respectively as at 31 December 2023 compared to S\$29.8 million and S\$36.2 million respectively as at 31 December 2022. The Group remains at a net cash position of S\$4.2 million as at 31 December 2023.

2.1 New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There were no significant judgements made in applying accounting policies that have significant effect of causing a material adjustment to the carrying amount of assets and liabilities within the next interim period.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 12 – impairment of goodwill on consolidation
- Note 13 – impairment of intangible assets
- Note 14 – impairment of investments in subsidiaries
- Note 18 – impairment of loan receivable from an associate, G3
- Note 24 – fair value of assets and liabilities

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4 Segment and revenue 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.

Advancer Global Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 2023**

4 Segment and revenue information (Continued)

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.

Information about reportable segments

<u>Group</u>	<u>Employment Services Business S\$'000</u>	<u>Building Management Services Business S\$'000</u>	<u>Security Services Business S\$'000</u>	<u>Unallocated S\$'000</u>	<u>Total S\$'000</u>
2H2023					
External sales	5,473	19,590	8,632	-	33,695
- Service income	5,473	19,468	8,246	-	33,187
- Installation services	-	11	5	-	16
- Sales of goods	-	111	381	-	492
Cost of sales	3,131	16,082	7,499	-	26,712
Dividend income	-	-	-	95	95
Interest income	-	6	6	151	163
Interest expense	10	32	16	-	58
Amortisation	11	70	-	-	81
Depreciation	170	746	167	-	1,083
Loss allowance for receivables (trade), net	-	-	124	-	124
Loss allowance for receivables (non-trade)	-	-	219	-	219
Reportable segment (loss)/profit before income tax	(308)	(1,048)	(1,204)	65	(2,495)
Share of (loss)/profit from equity-accounted for associates	(48)	192	(132)	-	12
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	46	38	184	-	268
2H2022					
External sales	5,006	19,377	7,208	-	31,591
- Service income	5,006	19,362	7,165	-	31,533
- Installation services	-	1	7	-	8
- Sales of goods	-	14	36	-	50
Cost of sales	2,752	16,409	5,997	-	25,158
Dividend income	-	-	-	98	98
Interest income	-	9	9	91	109
Interest expense	6	36	8	-	50
Amortisation	11	93	-	-	104
Depreciation	144	786	177	-	1,107
(Reversal of loss)/Loss allowance for receivables (trade), net	-	(63)	28	-	(35)
Reportable segment loss before income tax	(247)	(4,215)	(207)	(187)	(4,856)
Share of (loss)/profit from equity-accounted for associates	(52)	180	(87)	-	41
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	45	132	20	-	197

Advancer Global Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 2023**

4 Segment and revenue information (Continued)

Group	Employment Services Business S\$'000	Building Management Services Business S\$'000	Security Services Business S\$'000	Unallocated S\$'000	Total S\$'000
FY2023					
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
Cost of sales	5,691	31,783	14,893	-	52,367
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 (loss)/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
FY2022					
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
Cost of sales	5,458	31,104	13,259	-	49,821
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
(Reversal of loss)/Loss allowance for receivables (trade), net	-	(62)	42	-	(20)
Impairment loss on goodwill	-	-	-	2,525	2,525
Reportable segment profit/(loss) before income tax	234	(4,503)	(292)	(107)	(4,668)
Share of (loss)/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. Fullcast was recognised as an associate of the Group.

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 any particular customers.

Advancer Global Limited and its Subsidiaries

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5. Disaggregation of Revenue

	<u>2H2023</u> S\$'000	<u>2H2022</u> S\$'000	<u>Group</u> <u>FY2023</u> S\$'000	<u>FY2022</u> S\$'000
Service income (point in time)				
– Employment Services	5,464	4,990	9,834	9,686
– Building Management Services	1,649	3,301	4,303	6,750
– Security Services	3,379	1,801	5,210	3,004
	10,492	10,092	19,347	19,440
Service income (over time)				
– Employment Services	9	16	22	16
– Building Management Services	17,819	16,061	33,771	30,977
– Security Services	4,867	5,364	11,015	12,293
	22,695	21,441	44,808	43,286
Installation services (point in time)	16	8	21	21
Sales of goods (point in time)	492	50	905	356
	<u>33,695</u>	<u>31,591</u>	<u>65,081</u>	<u>63,103</u>

6. (Loss) before income tax

(Loss) before tax has been arrived after crediting / (charging):

	<u>2H2023</u> S\$'000	<u>2H2022</u> S\$'000	<u>Group</u> <u>FY2023</u> S\$'000	<u>FY2022</u> S\$'000
<i>Included in other operating income:</i>				
Dividend income	95	98	135	153
Gain on striking off a subsidiary	-	-	-	23
Gain on disposal of property, plant and equipment	12	2	73	6
Gain on lease modification	18	6	12	6
(Reversal)/Recognition of government credit schemes and government grants	(69)	468	708	2,327
Rental income	17	12	31	26
Interest income from advances to subcontractors	12	9	28	16
Interest income from fixed deposits	151	100	310	181

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6. (Loss) before income tax (Continued)

(Loss) before tax has been arrived after crediting / (charging) (Continued):

	Group			
	<u>2H2023</u>	<u>2H2022</u>	<u>FY2023</u>	<u>FY2022</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Included in cost of sales:</i>				
Cost of inventories recognised as an expense	(241)	(154)	(526)	(380)
Allowance for inventory obsolescence	(13)	(64)	(13)	(64)
Depreciation of right-of-use assets	(251)	(202)	(483)	(378)
Insurance	(430)	(100)	(643)	(357)
Expenses relating to short-term leases	(66)	(56)	(112)	(157)
Expenses relating to low-value assets	(57)	(25)	(63)	(50)
Recruitment expenses	(2,008)	(1,872)	(3,690)	(3,586)
Staff costs (excluding key management personnel remuneration)	(18,223)	(17,213)	(36,624)	(34,334)
Subcontractors' fees	(4,154)	(4,229)	(7,865)	(8,018)
<i>Included in administrative expenses:</i>				
Advertising expenses	(226)	(81)	(291)	(216)
Amortisation of intangible assets	(81)	(104)	(166)	(185)
Bad debts written-off	(1)	(2)	(1)	(2)
Depreciation of property, plant and equipment	(254)	(294)	(538)	(577)
Depreciation of right-of-use assets	(578)	(611)	(1,206)	(1,240)
Directors' fees	(75)	(74)	(147)	(148)
Expenses relating to short-term leases	(114)	(83)	(193)	(150)
Expenses relating to low-value assets	(5)	*	(7)	(3)
Fair value gain/(loss) arising from quoted financial assets at FVTPL	1	(163)	(73)	(30)
Fair value loss arising from unquoted financial assets at FVTPL	-	(125)	-	(125)
Impairment loss on investment in an associate	(1)	-	(1)	-
Impairment loss of goodwill	-	(2,525)	-	(2,525)
Insurance	(165)	(169)	(333)	(318)
Key management personnel remuneration	(2,134)	(2,381)	(4,140)	(4,339)
(Loss)/Reversal of loss allowance for receivables (trade), net	(124)	35	(131)	20
Loss allowance for receivables (non-trade), net	(219)	-	(219)	-
Loss on disposal of property, plant and equipment	(3)	(3)	(3)	(3)
Property, plant and equipment written-off	(31)	(1)	(31)	(1)
Retainer fees	(64)	(60)	(123)	(462)
Staff costs (excluding key management personnel remuneration)	(4,121)	(3,856)	(7,761)	(7,550)
Write off of lease termination	-	11	-	11
<i>Included in finance expenses:</i>				
Interest expenses on borrowing	(10)	(4)	(14)	(9)
Interest expenses on leases	(48)	(46)	(98)	(89)

*Denotes amount less than S\$1,000

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7. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	<u>Group</u>		<u>Company</u>	
	<u>FY2023</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Subsidiaries				
Dividend income	-	-	-	-
Advances to subsidiaries	-	-	3,494	2,671
Related parties				
Service income from related parties	*	10	-	-
Service income from associates	6	13	-	-
Purchases from non-controlling interests	461	279	-	-
Purchases from related parties	1	1	-	-
Purchases from associates	49	87	-	-
Payment on behalf by related parties	105	135	-	-
Lease from related parties	26	77	-	-

*Denotes amount less than S\$1,000

8. Income tax (expense)/credit

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense/(credit) in the condensed interim consolidated statement of profit or loss are:

	<u>Group</u>	
	<u>FY2023</u>	<u>FY2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Current income tax		
– Under/(Over)-provision in prior financial years	5	(11)
	<u>5</u>	<u>(11)</u>
Deferred income tax		
– 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>

9. Dividends

No dividends were declared or paid by the Company in FY2022 and FY2023.

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10. Net Asset Value

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Net asset value (S\$'000)	<u>32,012</u>	<u>36,160</u>	<u>39,843</u>	<u>39,914</u>
Number of ordinary shares issued (excluding treasury shares)	<u>251,185,691</u>	<u>251,185,691</u>	<u>251,185,691</u>	<u>251,185,691</u>
Net asset value per share (cents)	<u>12.74</u>	<u>14.40</u>	<u>15.86</u>	<u>15.89</u>

11. Loss per share

	Group	
	31 Dec 2023	31 Dec 2022
(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 earnings per share ('000)	<u>251,186</u>	<u>251,186</u>
Basic and diluted loss per share (cents)	<u>(1.57)</u>	<u>(1.76)</u>

The basic and diluted earnings per share is the same as there were no potentially dilutive instruments as at 31 December 2023 and 31 December 2022.

There were no outstanding share options as at 31 December 2023 and 31 December 2022.

There were no purchase of treasury shares during the financial year ended 31 December 2023 and 31 December 2022.

12. Goodwill on consolidation

Goodwill acquired through business combinations is allocated, at acquisition, to the cash generating units ("CGU") that are expected to benefit from those business combinations.

	Group	
	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000
Cost:		
At 1 January	2,845	4,425
Arising on acquisition of subsidiaries	-	945
Impairment loss	-	(2,525)
At end of financial year	<u>2,845</u>	<u>2,845</u>

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12. Goodwill on consolidation (Continued)

Impairment testing of goodwill

Goodwill that has an indefinite useful life are not subject to amortisation and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The assessment for the impairment of goodwill for the financial year ended 31 December 2023 will rely on significant management judgement at appropriately identifying the CGU and to determine certain key assumptions including, *inter alia*, operating margins, terminal growth rates, discount rates and the underlying cash flow projections. The actual future performance, outcome and results of the Group may differ materially from the projection as result of, *inter alia*, known and unknown risks, uncertainties, bases and assumptions including uncertainty arising from the pandemic and/or matters beyond the Group's control.

During the financial year ended 31 December 2022, an impairment loss of S\$2.5 million was recognised for goodwill relating to Premier Group due to underperformance of the said companies. There was no impairment loss on goodwill recognised for the financial year ended 31 December 2023.

Impairment loss of goodwill

	<u>Group</u>	
	<u>FY2023</u> S\$'000	<u>FY2022</u> S\$'000
Premier Group	-	2,525
	<u>-</u>	<u>2,525</u>

The carrying amount of goodwill had been allocated as follows:

	<u>Group</u>	
	<u>31 Dec</u> <u>2023</u> S\$'000	<u>31 Dec</u> <u>2022</u> S\$'000
Advancer IFM Pte. Ltd. (formerly known as Ashtree International Pte. Ltd.)	115	115
Newman Group ⁽¹⁾	1,785	1,785
SRE Group ⁽²⁾	945	945
	<u>2,845</u>	<u>2,845</u>

(1) Newman Group – NPC and NPS have been allocated as one CGU.

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

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13. Intangible assets

<u>Group</u>	<u>Customer contracts and contractual customer relationships⁽¹⁾</u> S\$'000	<u>Non-contractual customer relationships⁽²⁾</u> S\$'000	<u>Operation system, operational web portal and mobile application⁽³⁾</u> S\$'000	<u>Total</u> S\$'000
Cost				
At 1 January 2023 and 31 December 2023	2,629	362	592	3,583
Accumulated amortisation				
At 1 January 2023	2,593	263	315	3,171
Amortisation for the financial year	9	35	122	166
At 31 December 2023	2,602	298	437	3,337
Carrying amount at 31 December 2023	<u>27</u>	<u>64</u>	<u>155</u>	<u>246</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 development 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.

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.

14. Investments in subsidiaries

	<u>Company</u>	
	<u>31 Dec 2023</u> S\$'000	<u>31 Dec 2022</u> 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
	<u>11,487</u>	<u>11,487</u>

Strike off HBA Group Property Consultants Pte. Ltd. ("HBA")

On 6 April 2023, HBA, an indirect 82% owned subsidiary of the Company held through Advancer Global Facility Pte. Ltd. ("**AGF**") has been struck off from the Register of Companies pursuant to Section 344A of the Companies Act 1967 of Singapore.

Strike off KH Security Agency Pte. Ltd. ("KHA")

On 6 April 2023, KHA, an indirect wholly-owned subsidiary of the Company held through Advancer Global Security Pte. Ltd. has been struck off from the Register of Companies pursuant to Section 344A of the Companies Act 1967 of Singapore.

Advancer Global Limited and its Subsidiaries

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14. Investments in subsidiaries (Continued)

Acquisition of 8% issued and paid-up share capital of NPC and NPS (“Acquisition”)

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**”) as follows:

Name	NPC			Consideration (S\$)	NPS			Consideration (S\$)
	Shareholding percentage before the Acquisition (%)	Number of Shares (“Sale Shares”)	Paid-up Capital (S\$)		Shareholding percentage before the Acquisition (%)	Number of Shares (“Sale Shares”)	Paid-up Capital (S\$)	
Ms Sim	8.0	40,000	40,000	319,999	8.0	8	8	1

Following the completion of the Acquisition, NPC and NPS are wholly-owned by the Company through AGF.

Ms Sim, who is a director of both NPC and NPS, is unrelated to the Company’s directors and controlling shareholders or their respective associates. Following the completion of the Acquisition, Ms Sim will cease to have any shareholdings in both NPC and NPS.

15. Investments in associates

	<u>Group</u>	
	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	S\$’000	S\$’000
Investments in associates, at cost	696	696
Impairment loss	(1)	-
Share of associates’ results	(76)	(285)
Carrying amount	<u>619</u>	<u>411</u>

16. Other investments

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>31 Dec 2023</u>	<u>31 Dec 2022</u>	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
		S\$’000	S\$’000	S\$’000	S\$’000
<u>Non-current investments</u>					
<u>Financial assets held at FVTPL</u>					
Unquoted equity instruments – at FVTPL		-	-	-	-
<u>Current investments</u>					
<u>Financial assets held at FVTPL</u>					
Quoted equity instruments – at FVTPL		2,832	2,905	2,832	2,905
Total financial assets held at FVTPL		<u>2,832</u>	<u>2,905</u>	<u>2,832</u>	<u>2,905</u>

Advancer Global Limited and its Subsidiaries

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16. Other investments (Continued)

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>31 Dec</u> <u>2023</u> S\$'000	<u>31 Dec</u> <u>2022</u> S\$'000	<u>31 Dec</u> <u>2023</u> S\$'000	<u>31 Dec</u> <u>2022</u> S\$'000
Movement for unquoted equity instruments					
At beginning of the year		-	125	-	-
Fair value loss recognised in PL		-	(125)	-	-
	(a)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Movement for quoted equity instruments					
At beginning of the year		2,905	2,506	2,905	2,506
Additions		-	429	-	429
Fair value loss recognised in PL		(73)	(30)	(73)	(30)
	(b)	<u>2,832</u>	<u>2,905</u>	<u>2,832</u>	<u>2,905</u>

(a) Unquoted equity instruments

The Company had, through its 85% subsidiary, Advancer Smart Technology Pte. Ltd., subscribed to 15% of the registered capital of Zhe Jiang Zhi Wu Hui Yun Technology Co. Ltd., a company incorporated in People's Republic of China. 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 investment amount is denominated in Chinese Renminbi.

(b) Quoted equity instruments

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.

17. Property, plant and equipment

During the financial year, the Group acquired assets amounting to S\$1,169,000 (31 December 2022: S\$507,000) and disposed assets with carrying amount of S\$193,000 (31 December 2022: S\$217,000).

The Group acquired a leasehold property from D8 Management Pte. Ltd. ("D8") for S\$840,000 on 29 May 2023. D8 is an investment holding company incorporated in Singapore owned by Mr Chin Mei Yang (CEO and Executive Director of the Company), Mr Chin Mui Hiong (Executive Director of the Company), Mr Ong Eng Tiang (Executive Director of the Company) and Mr Chin Swee Siew @ Chen Yin Siew (Controlling Shareholder of the Company). 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%.

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18. Trade and other receivables

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables				
- Third parties	10,394	9,619	-	-
- Related party	-	1	-	-
- Accrued receivables	396	70	-	-
Less: Loss allowance	(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	(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

19. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 31 December 2022:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets at FVTPL				
Unquoted equity instruments	-	-	-	-
Quoted equity instruments	2,832	2,905	2,832	2,905
Total	2,832	2,905	2,832	2,905
Financial assets at amortised cost				
Trade and other receivables	15,281	14,460	16,450	11,989
Less: Accrued receivables	(396)	(70)	-	-
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)	-	-
Cash and cash equivalents	13,884	13,299	16,444	11,979
	16,293	20,797	9,168	13,625
Total	30,177	34,096	25,612	25,604

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19. Financial assets and financial liabilities (Continued)

	<u>Group</u>		<u>Company</u>	
	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Financial liabilities				
Trade and other payables	8,151	6,899	94	92
Less: Deferred income	(56)	(206)	-	-
Less: Provision for warranties	(5)	(1)	-	-
Less: GST payables	(1,052)	(862)	-	-
Less: Withholding tax	(2)	(2)	(2)	(2)
	<u>7,036</u>	<u>5,828</u>	<u>92</u>	<u>90</u>
Lease liabilities	2,442	2,630	-	-
Bank borrowing	500	530	-	-
Total	<u>9,978</u>	<u>8,988</u>	<u>92</u>	<u>90</u>

Other receivables include loan receivable from an associate G3 of S\$2.5 million which are unsecured, interest-free and repayable on demand. No allowance for impairment has been recognised as at 31 December 2023 (31 December 2022: S\$Nil). 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.

20. Share capital

	<u>Group and Company</u>	
	<u>No. of shares</u>	<u>S\$'000</u>
<u>Issued and fully paid, with no par value</u>		
At 31 December 2022 and 31 December 2023	<u>252,363,591</u>	<u>40,607</u>
	<u>Group and Company</u>	
	<u>31 Dec 2023</u>	<u>31 Dec 2022</u>
	<u>No. of shares</u>	<u>No. of shares</u>
Total number of issued shares, including treasury shares	252,363,591	252,363,591
Treasury shares	(1,177,900)	(1,177,900)
Total number of issued shares, excluding treasury shares	<u>251,185,691</u>	<u>251,185,691</u>

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

21. Treasury shares

	<u>Group and Company</u>			
	<u>31 Dec 2023</u>		<u>31 Dec 2022</u>	
	<u>No. of shares '000</u>	<u>S\$'000</u>	<u>No. of shares '000</u>	<u>S\$'000</u>
<u>Issued and fully paid, with no par value</u>				
At 1 January and 31 December	<u>1,178</u>	<u>241</u>	<u>1,178</u>	<u>241</u>

Advancer Global Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 2023**

21. Treasury shares (Continued)

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).

No treasury shares were sold, transferred, disposed, cancelled and/or used during FY2023 (FY2022: Nil).

The Shareholders of the Company had, at the annual general meeting of the Company held on 28 April 2023, approved the renewal of the Share Buy-Back Mandate.

22. Borrowings

	31 Dec 2023		31 Dec 2022	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable within one year or less, or on demand	27	-	32	-
Amount repayable after one year	473	-	498	-
Total borrowings	<u>500</u>	<u>-</u>	<u>530</u>	<u>-</u>

- (1) The Group's borrowings are secured by:
- (i) Motor vehicles under leases liabilities;
 - (ii) Personal guarantees by a director of a subsidiary for purchase of motor vehicles under leases liabilities. Each of the personal guarantors did not receive any benefits in kind, commission or interest payments from the Group for providing these personal guarantees;
 - (iii) A unit at 18 Boon Lay Way, #03-138 Tradehub 21, Singapore 609966 (the "**Tradehub 21 Property**"); and
 - (iv) Corporate guarantees provided by Advancer Global Limited and Advancer Global Security Pte. Ltd. for property loan related to the Tradehub 21 Property.
- (2) The lease liabilities as at 31 December 2023 and as at 31 December 2022 can be reconciled as follows:

	Group	
	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000
<u>Lease liabilities-non-current</u>		
Lease liabilities arising from operating lease	1,011	1,140
Lease liabilities arising from finance lease	5	27
	<u>1,016</u>	<u>1,167</u>
<u>Lease liabilities-current</u>		
Lease liabilities arising from operating lease	1,415	1,421
Lease liabilities arising from finance lease	11	42
	<u>1,426</u>	<u>1,463</u>

Advancer Global Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 2023**

23. Trade and other payables

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables				
- Third parties	1,040	805	-	-
- Related party	281	31	-	-
- Subcontractor	30	*		
Total trade payables	1,351	836	-	-
Other payables				
- Related parties	47	4	-	-
- Accrued operating expenses	5,291	4,620	92	90
- Deferred income	56	206	-	-
- Deposit received	29	22	-	-
- Dividend payables to non-controlling interests	90	130	-	-
- Credit notes to customers	228	216	-	-
- Provision for warranties	5	1	-	-
- GST payables	1,052	862	-	-
- Withholding tax	2	2	2	2
Total other payables	6,800	6,063	94	92
Total trade and other payables	8,151	6,899	94	92

*Denotes amount less than S\$1,000

24. Fair value of assets and liabilities

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

Notes to the condensed interim consolidated financial statements
For the financial year ended 31 December 2023

24. Fair value of assets and liabilities (Continued)

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.

	Group		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	\$'000	\$'000	\$'000
Financial assets:			
Financial assets at FVTPL			
- Quoted equity instruments	2,832	-	-
At 31 December 2023	<u>2,832</u>	<u>-</u>	<u>-</u>
Financial assets:			
Financial assets at FVTPL			
- Quoted equity instruments	2,905	-	-
At 31 December 2022	<u>2,905</u>	<u>-</u>	<u>-</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.

25. Subsequent events after reporting date

- (i) On 1 February 2024, Advancer Global Security Pte. Ltd. ("**AGS**"), a wholly-owned subsidiary of the Company, disposed of its entire 45% shareholding interest in Eazable Pte. Ltd. ("**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 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. ("**Advancer Nation**"), an indirect wholly-owned subsidiary of the Company held through Advancer Global Manpower Pte. Ltd., have 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.

Other information required by Appendix 7C of the Catalist Rules

**Other information required by Appendix 7C of the Catalyst Rules
For the financial year ended 31 December 2023**

- 1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The condensed statements of financial position of Advancer Global Limited and its subsidiaries (the “Group”) as at 31 December 2023 and the related condensed interim consolidated statement of profit or loss and other comprehensive income for the six-months and financial year ended 31 December 2023, condensed statements of changes in equity and condensed consolidated statement of cash flows for the financial year ended 31 December 2023 and certain explanatory notes have not been audited or reviewed.

- 2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Please refer to Explanatory Notes to the unaudited condensed interim financial statements for the financial year ended 31 December 2023.

- 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

- 4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

With interest rates peaking in 2023, there is widespread anticipation that the US Federal Reserve will reduce its rate hikes in 2024, primarily due to early signs of easing inflation. However, global concerns persist over geopolitical tensions such as the Russia-Ukraine and Israel-Hamas conflicts, which continue to pose significant worries worldwide, keeping business costs elevated. This ongoing crisis could potentially impact the Group’s financial results. Consequently, the Group is undergoing a strategic reassessment and realignment to gain a competitive edge.

The Group’s emphasis on leveraging innovation, technology, and enhancing staff efficiency levels is crucial for mitigating the rising manpower costs. Utilizing advanced analytics, big data curation, and IoT technology to provide actionable insights for customers is creating new opportunities. To meet market demands swiftly and reduce time-to-market, the Group will enhance the functionalities of its smart FM solutions. Additionally, the Group will support its Integrated Facility Management (IFM) strategy by developing estate apps for residents and facility management apps for property managers, while promoting internal resource sharing to enhance efficiency.

However, the anticipated increase in costs, along with high staff turnover rates and challenges in talent acquisition, are expected to exert pressure on revenue growth in 2024. To remain competitive, the Group will focus on differentiating its service offerings and capitalizing on its strengths as a locally-based IFM provider with extensive domain expertise. Investing in technological solutions, including upgrading its Enterprise Resource Planning system, will be crucial for repositioning our subsidiaries and strengthening their market position.

**Other information required by Appendix 7C of the Catalist Rules
For the financial year ended 31 December 2023**

5. Dividend

(a) Whether an interim (final) ordinary dividend has been declared or recommended.

No dividend has been declared or recommended for the current financial year.

(b) Corresponding period of the immediately preceding financial year

No dividend has been declared or recommended for the financial year ended 31 December 2022.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state whether the tax rate and the country where the dividend is derived. (if the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

6. If no dividend has been declared (recommended), a statement to that effect and the reasons for the decision.

No dividend has been declared or recommended for the financial year ended 31 December 2023 to conserve cash in view of the current economic uncertainties.

7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested person transactions.

The Group entered into the following interested person transaction (“IPT(s)”) during the financial period:

Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
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	S\$840,000	Nil

Advancer Global Limited and its Subsidiaries

Other information required by Appendix 7C of the Catalist Rules For the financial year ended 31 December 2023

	Company), Mr 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).		
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As the value of the interested person transaction entered into on 29 May 2023 represented less than 3.0% of the Group's latest audited net tangible asset for the financial year ended 31 December 2022 amounting to S\$32,903,000, no immediate separate announcement was made.

8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers as set out in Appendix 7H under Rule 720(1).

9. Updates on use of Net Subscription Proceeds

The Board refers to the Company's announcements dated 16 April 2021 and 12 August 2022 in relation to the re-allocation and updated status of use of net subscription proceeds (the "Net Subscription Proceeds") arising from the Company's issue and allotment of 65,000,000 subscription shares on 31 August 2018. The status of utilisation of the Net Subscription Proceeds as at the date of this announcement is set out as follows:

	<u>Amount allocated</u> S\$ million	<u>Amount utilised</u> S\$ million	<u>Balance</u> S\$ million
Expansion of business operations	12.30	(5.09)	7.21
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
	<u>21.74</u>	<u>(12.61)</u>	<u>9.13</u>

Advancer Global Limited and its Subsidiaries

**Other information required by Appendix 7C of the Catalyst Rules
For the financial year ended 31 December 2023**

9. Updates on use of Net Subscription Proceeds (Continued)

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
	<u>5,440</u>

10. Breakdown of sales

	FY2023	FY2022	Increase/ (Decrease)
Revenue	S\$'000	S\$'000	%
(a) First half year	31,386	31,512	(0.4)
(b) Second half year	33,695	31,591	6.7
	<u>65,081</u>	<u>63,103</u>	3.1
Profit/(Loss) after tax before deducting non-controlling interests			
(a) First half year	(1,600)	247	N/M ⁽¹⁾
(b) Second half year	(2,334)	(4,668)	(50.0)
	<u>(3,934)</u>	<u>(4,421)</u>	(11.0)

Note:

- (1) N/M – Not meaningful

Please refer to Explanatory Notes to the unaudited condensed interim financial statements for the financial year ended 31 December 2023 for the review of the performance and factors leading to the material change in the contributions to turnover and earnings by the operating segments.

11. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Group	FY2023	FY2022
	S\$	S\$
Ordinary dividend - interim	-	-
Ordinary dividend - final	-	-
	<u>-</u>	<u>-</u>

Advancer Global Limited and its Subsidiaries

Other information required by Appendix 7C of the Catalist Rules For the financial year ended 31 December 2023

12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Chin Chwee Hwa	69	Brother of Chin Mui Hiong and Chin Mei Yang, the directors and controlling shareholders of the Company	Director of World Clean Facility Services Pte. Ltd. since 12 July 2005.	Nil
James Chin Yee Hong	38	Son of Chin Swee Siew @ Chen Yin Siew, the controlling shareholder of the Company and Head of Employment Services Business of the Group	(1) Business Development Manager of Country Cousins Pte. Ltd. and is involved in day-today operations. (2) Director of Nation Human Resources Pte. Ltd.	Nil

13. Disclosures pursuant to Rule 706A of the Catalist Rules

Please refer to the Company's:

- (i) announcement dated 10 April 2023 in relation to the strike off of HBA and KHA;
- (ii) announcement dated 26 May 2023 in relation to acquisition of the remaining 8% issued and paid-up capital of NPC and NPS;
- (iii) announcement dated 1 February 2024 in relation to the disposal of the entire 45% issued and paid-up capital of Eazable; and
- (iv) announcement dated 5 February 2024 in relation to the strike off of Advancer Nation.

On behalf of the Board of Directors

Lim Teck Chai, Danny
Independent Non-Executive Chairman
26 February 2024

Chin Mei Yang
Chief Executive Officer and Executive Director
26 February 2024