
BINDING LETTER OF OFFER IN RELATION TO THE PROPOSED ACQUISITION OF G3 ENVIRONMENTAL PRIVATE LIMITED

*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the announcements (1) dated 20 November 2017 and 29 December 2017 in relation to the acquisition of Chiang Kiong Group and subscription for 20.1% new shares in G3 Environment Private Limited, and (2) dated 2 March 2022 and 11 March 2022 in relation to the Offer Letter for the Proposed Acquisition (“**Announcements**”).*

1. Introduction

The Board of Directors (the “**Board**” or “**Directors**”) of Advancer Global Limited (the “**Company**” and together with its subsidiaries and associated companies, collectively the “**Group**”) wishes to announce that, Advancer Global Facility Pte. Ltd. (“**AGF**”), a wholly-owned subsidiary of the Company, together with an independent third party financial investor (“**Investor**”) (collectively “**49.9% Shareholders**”), had on 14 March 2022 made a binding offer to Tee Infrastructure Private Limited (“**Tee Infrastructure**”) (“**Binding Offer**”) proposing the acquisition of Tee Infrastructure’s entire 50.1% equity interest in G3 Environmental Private Limited (“**G3**”) (“**Sale Shares**”), together with the shareholder’s loan owing by G3 to Tee Infrastructure (“**Shareholder’s Loan**”) for an aggregate consideration of S\$6,000,000 (“**Binding Offer Letter for the Proposed Acquisition**”). Tee Infrastructure is a wholly-owned subsidiary of Tee International Limited, a company listed on the Singapore Exchange Securities Trading Limited,

The Company has made a previous non-binding indicative offer to Tee Infrastructure on 2 March 2022 for the acquisition of Tee Infrastructure’s entire equity interest in G3, together with the shareholder’s loan owing by G3 to Tee Infrastructure for an aggregate consideration of S\$5,500,000. The indicative offer was declined by Tee Infrastructure on 11 March 2022 in view of its debt restructuring and future plans. Please refer to the announcements dated 2 March 2022 and 11 March 2022 for details.

It is envisaged that following the completion of the Proposed Acquisition, G3 will become a 50.16% owned subsidiary of AGF and a 50.16% indirectly owned subsidiary of the Company. The 50.16% shareholding is calculated based on 60% of the Sale Shares and AGF’s existing 20.1% shareholding in G3.

2. Information on G3

G3 is a joint venture company between the parties mentioned below and was incorporated in the Republic of Singapore on 27 November 2017 as the holding company for Tee Environmental Pte. Ltd., Tee Recycling Pte. Ltd. and Envotek Engineering Pte. Ltd.. The principal activity of G3 is the provision of commercial and industrial real estate management and recycling of metal waste and scrap. G3 has an issued and fully paid-up share capital of S\$10,000 consisting of 1,000,000 ordinary shares and is held in the following proportions:

Name of G3’s Shareholders:	Percentage of shareholding:
AGF	20.1% comprising 201,000 ordinary shares amounting to S\$2,010
Investor	29.8% comprising 298,000 ordinary shares amounting to S\$2,980
Tee Infrastructure	50.1% comprising 501,000 ordinary shares amounting to S\$5,010

Based on the audited financial statements of G3 for the financial period from 1 June 2020 to 30 September 2021, G3 and its subsidiaries recorded a net profit after tax and net liabilities of S\$3,143,981 and S\$1,565,597 respectively.

Based on the unaudited management accounts of G3 and its subsidiaries for the financial period from 1 January 2021 to 31 December 2021 (“FY2021”), the net profit after tax and net liabilities was S\$1,758,168 and S\$1,067,823 respectively.

3. Rationale for the Proposed Acquisition

The Board is of the view that the proposed offer is in line with the Group’s plans to strengthen its position and offerings within the Building Management Services division.

4. Principal terms of the Binding Offer Letter for the Proposed Acquisition

Consideration

The total consideration for AGF’s acquisition of 60.0% of the Sale Shares amounts to S\$3,600,000 (the “**Consideration**”), which will be funded through the net proceeds (“**Net Subscription Proceeds**”) raised from the Company’s issue and allotment of 65,000,000 new ordinary shares on 31 August 2018. The Company will provide an update on its use of the Net Subscription Proceeds in respect of the Proposed Acquisition should it materialise.

The aggregate consideration was derived at taking into account G3’s profitability, track records, reputation, customer base, order book and in-depth knowledge in waste management, as well as G3’s other payables of S\$6.2 million owing to Tee Infrastructure. No independent valuation was commissioned in respect of the Proposed Acquisition.

Key terms of Binding Offer letter for the Proposed Acquisition

For the avoidance of doubt, the Binding Offer Letter for the Proposed Acquisition is subject to Tee Infrastructure’s acceptance by 20 April 2022. Failing which, the Binding Offer will lapse and will cease to have any effect whatsoever.

Subject to Tee Infrastructure’s acceptance of the Binding Offer, Tee Infrastructure shall have up to 90 calendar days from the date of the acceptance to convene an extraordinary general meeting of shareholders of Tee International Limited to seek shareholders’ approval for the sale of the Shareholder’s Loan and Sale Shares, to the extent necessary under the applicable laws and regulations (including listing rules of the Singapore Exchange Securities Trading Limited) (“**EGM Approval**”).

On and subject to (a) EGM Approval being obtained; and (b) AGF’s due diligence results on the G3 being reasonably satisfactory to AGF, on the date EGM Approval is obtained, AGF shall pay to Tee Infrastructure the Consideration by way of cashiers’ order(s) drawn on a licensed bank in Singapore; and

Tee Infrastructure shall:

- (i) transfer all legal and beneficial interest in the Shareholder’s Loan and Sale Shares, free from all encumbrances whatsoever and together with all rights and entitlements attached thereto as at the date of this letter, to AGF in the following proportions:
 - (a) 60% of Shareholder’s Loan to AGF and the balance 40% of Shareholder’s Loan to the Investor; and
 - (b) 60% of Sale Shares to AGF and the balance 40% of Sale Shares to the Investor;
- (ii) deliver to AGF original executed deeds of assignment in respect of the Shareholder’s Loan in favour of AGF and the Investor in the proportions set out above;

- (iii) deliver to AGF original executed instruments of transfer in respect of the Sale Shares in favour of AGF and the Investor in the proportions set out above, together with the original share certificate(s) in respect of the Sale Shares;
- (iv) deliver to AGF original executed letter of resignation of Tee Infrastructure's nominee director on the board of directors of the G3, namely, Mr Phua Cher Chuan, confirming his resignation as director of the G3 and confirming that he has no claims nor rights (whether accrued or otherwise) whatsoever against G3;
- (v) deliver to AGF certified true copy of the written resolutions of the directors of Tee Infrastructure approving the sale of the Shareholder's Loan and Sale Shares;
- (vi) execute such documents and do all acts and things as AGF may reasonably require from Tee Infrastructure in order to vest the full benefit of the Shareholder's Loan and Sale Shares to AGF and the Investor; and
- (vii) cease to have any rights or claims (whether accrued or otherwise) whatsoever against G3 and its subsidiaries as well as AGF and the Investor (including under the shareholders agreement among G3's Shareholders).

5. Rule 1006 Relative Bases

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**") based on the latest announced audited financial statements of the Group for FY2021 and the unaudited management accounts of G3 for FY2021 are as follows:

Rule		Relevant figures
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
Rule 1006(b)	Net profits attributable to the assets acquired, compared with the Group's net profits ⁽¹⁾	(13.8%)
Rule 1006(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation ⁽²⁾	12.8%
Rule 1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

Notes:

- (1) Based on the net loss before tax of the Group for FY2021 amounting to S\$4,126,000 and net profit before tax of G3 attributable to 60.0% of the Sale Shares amounting to S\$571,403.
- (2) Based on the aggregate consideration of S\$4,135,620 which includes the Consideration of S\$3,600,000 and 50.16% of the net liability of G3 as at 31 December 2021 amounting to S\$535,620, compared to the Company's market capitalisation of approximately S\$32,402,954 based on the weighted average price of \$0.129 as at 5 April 2022 (being the last market day where the Company's shares were traded, preceding the date of the Binding Letter of Offer for the Proposed Acquisition).

Catalist Rule 1007(1) states, *inter alia*, that if any of the relative figures computed pursuant to Catalist Rule 1006 involves a negative figure, Chapter 10 may still be applicable to the transaction in accordance with the applicable circumstances.

Having considered Paragraph 4.4(b) of Practise Note 10A of the Catalist Rules, as the relative figures computed under Rule 1006(c) of the Catalist Rules exceeds 5.0%, but does not exceed 75.0%, and the net profit attributable to AGF's portion of the Sale Shares exceeds 5.0% of AGF's consolidated net loss for FY2021, the Acquisition constitutes a "discloseable transaction" as defined in Chapter 10 of the Catalist Rules.

6. Financial Effects of the Acquisition

The proforma financial effects of the Proposed Acquisition on the net tangible assets (“NTA”) per share and earnings per share (“EPS”) of the Group as set out below are purely for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Proposed Acquisition. The financial effects of the Proposed Acquisition set out below have been prepared based on the Group’s audited consolidated financial statements for FY2021 and G3’s unaudited management accounts for FY2021.

The financial effects have been prepared on the following bases and assumptions:

- (a) that the Proposed Acquisition had been completed on 1 January 2021 for the purposes of illustrating the financial effects on earnings per shares (“EPS”);
- (b) that the Proposed Acquisition had been completed on 31 December 2021 for the purposes of illustrating the financial effects on net tangible asset (“NTA”); and
- (c) the computation does not take into account any expenses that may be incurred in relation to the Proposed Acquisition.

6.1 EPS

The proforma financial effects of the Proposed Acquisition on the EPS of the Group for FY2021 are summarized below:

EPS	Before the Proposed Acquisition	After the Proposed Acquisition
Profits attributable to owners of the Company ⁽¹⁾ (S\$)	(4,045,000)	(3,163,103)
Weighted average number of issued shares ⁽²⁾	251,188,096	251,188,096
Basic and diluted EPS (cents)	(1.61)	(1.26)

Notes:

- (1) Represents net profits after tax and minority interests.
- (2) Based on the number of ordinary shares issued (excluding treasury shares and subsidiary holdings) as at 31 December 2021.

6.2 NTA per share

The proforma financial effects of the Proposed Acquisition on the NTA per share of the Group as at 31 December 2021 are summarized below:

NTA	Before the Proposed Acquisition	After the Proposed Acquisition
Consolidated NTA ⁽¹⁾ (S\$'000)	35,903	36,785
Number of issued shares ⁽²⁾	251,185,691	251,185,691
Consolidated NTA per share (cents)	14.29	14.64

Notes:

- (1) Represents consolidated NTA excluding minority interests, intangible assets and goodwill.
- (2) Based on the number of ordinary shares issued (excluding treasury shares and subsidiary holdings) as at 31 December 2021.

7. Details of Service Contracts of Proposed Director(s)

No directors are proposed to be appointed to the Company pursuant to the Proposed Acquisition.

8. Documents for Inspection

Copies of the Binding Offer Letter for the Proposed Acquisition will be made available for inspection at the registered office of the Company at 135 Jurong Gateway Road, #05-317, Singapore 600135 during normal business hours for a period of 3 months from the date of this announcement.

9. Interest of Directors and Controlling Shareholders

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

The Company will make the appropriate announcements where there are material developments that merit disclosure, in compliance with the relevant provisions of the Catalist Rules.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. There is no certainty or assurance as at the date of this announcement that the Binding Offer Letter for the Proposed Acquisition will be accepted by Tee Infrastructure and the Proposed Acquisition will be completed. Shareholders are advised to exercise caution in trading their shares and should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board of Directors

Chin Mei Yang
Chief Executive Officer and Executive Director
14 April 2022

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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