

ADDENDUM DATED 12 APRIL 2018

THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the contents herein or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Advancer Global Limited (the "**Company**"), you should immediately forward this Addendum with the Notice of Annual General Meeting and Proxy Form enclosed with the Company's annual report for the financial year ended 31 December 2017 (the "**Annual Report**"), immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Addendum is issued by the Company together with the Company's Annual Report. Its purpose is to provide the shareholders with relevant information relating to, and to seek shareholders' approval for the proposed renewal of the share buy-back mandate, to be tabled at the annual general meeting to be held on Friday, 27 April 2018 at 10:00 a.m. at Raffles Country Club, Albatross Room, Level 2, 450 Jalan Ahmad Ibrahim, Singapore 639932.

This Addendum has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this Addendum.

This Addendum has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Addendum, including the correctness of any of the statements or opinions made or reports contained in this addendum.

The contact person for the Sponsor is Mr Ong Hwee Li (Telephone: 65 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.



ADVANCER GLOBAL LIMITED

(Incorporated in the Republic of Singapore on 2 February 2016)
(Company Registration Number: 201602681W)

ADDENDUM TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE ("SHARE BUY-BACK MANDATE")

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DEFINITIONS

The following definitions apply throughout in this Addendum except where the context otherwise requires:

- “ACRA”** : The Accounting and Corporate Regulatory Authority of Singapore
- “Addendum”** : This addendum to Shareholders dated 12 April 2018
- “AGM”** : The annual general meeting of the Company. Unless the context otherwise requires, “AGM” shall refer to the annual general meeting to be held on 27 April 2018
- “Annual Report”** : The Company’s annual report for the financial year ended 31 December 2017
- “Approval Date”** : Has the meaning ascribed to it in Section 2.1.3 of this Addendum
- “Associates”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family (being spouse, child, adopted child, step-child, sibling and parent);
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “Board”** : The board of directors of the Company as at the date of this Addendum
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”** : The Listing Manual (Section B: Rules of Catalist) of the SGX-ST, as amended, supplemented or modified from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Company”** : Advancer Global Limited
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
- “Constitution”** : The constitution of the Company, as amended, supplemented or modified from time to time
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or
 - (b) in fact exercises control over the Company
- “Director”** : A director of the Company as at the date of this Addendum
- “EPS”** : Earnings per Share

“FY”	: Financial year ending or ended 31 December, as the case may be
“Group”	: The Company and its subsidiaries
“Latest Practicable Date”	: 29 March 2018, being the latest practicable date prior to the printing of this Addendum
“Market Day”	: A day on which the SGX-ST is open for securities trading
“NAV”	: Net asset value
“NTA”	: Net tangible assets
“Relevant Period”	: The period commencing from the date on which the ordinary resolution in relation to the renewal of the Share Buy-back Mandate is passed in a general meeting and expiring on the earliest of (i) the date on which the next AGM is or is required by law to be held; (ii) the date on which the Share Buy-backs are carried out to the full extent mandated, or (iii) the date the said mandate is revoked or varied by the Shareholders in a general meeting
“Securities Account”	: Securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“Securities and Futures Act”	: Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
“SGXNET”	: Singapore Exchange Network, the system network used by listed companies to send information and announcements to the SGX-ST, or any other system networks prescribed by the SGX-ST
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Share Buy-back(s)”	: The purchase or acquisition by the Company of its own issued and fully paid-up Shares
“Share Buy-back Mandate”	: The proposed mandate to authorise the Directors to exercise all powers of the Company to carry out Share Buy-backs, the terms of which are set out in this Addendum
“Shareholders”	: Persons who are registered as holders of Shares in the Register of Members maintained by the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts maintained with the CDP are credited with Shares
“Shares”	: Ordinary shares in the capital of the Company
“SIC”	: The Securities Industry Council of Singapore
“Substantial Shareholder”	: A person who has an interest in Shares representing not less than 5.0% of the total votes attached to all the Shares
“Take-over Code”	: The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
“S\$” and “cents”	: Singapore dollars and cents respectively
“%”	: Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term “**treasury shares**” shall have the meaning ascribed to it in Section 4 of the Companies Act. The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act. The term “**subsidiary holdings**” shall have the meaning ascribed to it in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Take-over Code, the Securities and Futures Act or the Catalist Rules or any modification thereof and used in this Addendum shall, unless provided otherwise, have the same meaning ascribed to it under the Companies Act, the Take-over Code, the Securities and Futures Act or the Catalist Rules (or any modification thereof, as the case may be).

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Addendum may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day and dates in this Addendum shall be a reference to Singapore time and dates, unless otherwise stated.

LETTER TO SHAREHOLDERS

ADVANCER GLOBAL LIMITED

(Incorporated in the Republic of Singapore on 2 February 2016)
(Company Registration Number: 201602681W)

Board of Directors:

Mr. Desmond Chin (Executive Chairman)
Mr. Gary Chin (Chief Executive Officer and Executive Director)
Mr. Ong Eng Tiang (Executive Director)
Mr. Loy Soo Chew (Lead Independent Director)
Mr. Francis Yau Thiam Hwa (Independent Director)
Mr. Vincent Leow (Independent Director)

Registered Office:

135 Jurong Gateway Road
#05-317 Singapore 600135

12 April 2018

To: The Shareholders of Advancer Global Limited

Dear Sir or Madam,

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

1. INTRODUCTION

- 1.1 Reference is made to the notice of AGM dated 12 April 2018 ("**Notice of AGM**") in relation to the AGM of the Company to be held on Friday, 27 April 2018.
- 1.2 Ordinary Resolution 11 in the Notice of AGM relates to the proposed renewal of the Share Buy-back Mandate, to authorise the Directors to purchase or otherwise acquire Shares of the Company. The current Share Buy-back Mandate, which was approved at the extraordinary general meeting of the Company on 28 April 2017, will expire on the date of the forthcoming AGM. Accordingly, the Directors propose that the Share Buy-back Mandate be renewed at the forthcoming AGM.
- 1.3 The purpose of this Addendum is to provide Shareholders with information relating to, and to seek their approval for the proposed renewal of the Share Buy-back Mandate at the AGM. This Addendum has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Addendum is despatched to by the Company) or for any other purpose.
- 1.4 The SGX-ST assumes no responsibility for the contents of this Addendum, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Addendum.
- 1.5 Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant, or other professional advisers immediately.

2. SHARE BUY-BACK MANDATE

2.1 Background

- 2.1.1 The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if such purchase or acquisition is permitted under its constitution. Any purchase or acquisition of shares by the company would also have to be made in accordance with, and in the manner prescribed by, the Companies Act, its constitution and the Catalist Rules (in particular Part XI of Chapter 8 of the Catalist Rules which relates to the purchase or acquisition by an issuer of its own shares) and such other laws and regulations as may for the time being be applicable. Regulation 9 of the Company's Constitution expressly permits the Company to carry out Share Buy-backs.

- 2.1.2 Under the Companies Act and the Catalist Rules, a company that wishes to purchase or otherwise acquire its own shares must obtain the approval of its shareholders to do so at a general meeting. Accordingly, approval is now being sought from Shareholders at the AGM for the renewal of the Share Buy-back Mandate. An ordinary resolution will be proposed at the AGM pursuant to which the Share Buy-back Mandate granted to the Directors to exercise all powers of the Company to carry out Share Buy-backs on the terms of the Share Buy-back Mandate will be renewed.
- 2.1.3 If approved by Shareholders at the AGM, the authority conferred by the Share Buy-back Mandate will take effect from the date of the AGM at which the renewal of the Share Buy-back Mandate is approved ("**Approval Date**") and continue to be in force during the Relevant Period.
- 2.1.4 Subject to its continued relevance to the Company, the Share Buy-back Mandate will be put to Shareholders for renewal at each subsequent AGM.

2.2 Rationale for the Share Buy-back Mandate

2.2.1 The rationale for the Share Buy-back Mandate are as follows:

- (a) the Share Buy-back Mandate will give the Company the flexibility to carry out Share Buy-backs if and when circumstances permit. The Board believes that Share Buy-backs would allow the Company and the Board to better manage the Company's share capital structure, dividend payout and cash reserves;
- (b) the Share Buy-back Mandate also provides the Board with a mechanism to facilitate the return of surplus cash over and above the Company's ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company's share capital structure with a view to enhancing the EPS and/or NAV per Share; and
- (c) the Board believes that Share Buy-backs may help the Company to mitigate short term market volatility in the Company's share price, offset the effects of short term speculation and bolster Shareholders' confidence.

2.2.2 Shares purchased or otherwise acquired pursuant to the Share Buy-back Mandate may be held or dealt with as treasury shares, which may be utilised pursuant to the Advancer Global Employee Share Option Scheme¹ or the Advancer Global Performance Share Plan¹.

2.2.3 If and when circumstances permit, the Board will decide (i) whether to exercise the Share Buy-back Mandate through on-market purchases or off-market purchases of Shares; and (ii) whether the Shares purchased or acquired should be held as treasury shares or cancelled, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

2.2.4 Shareholders should note that Share Buy-backs pursuant to the Share Buy-back Mandate will only be made when the Board believes that such Share Buy-backs would be made in circumstances which would not have a material adverse effect on the financial position of the Company and the Group, and when the Board believes that such Share Buy-backs would be in the best interest of the Company and its Shareholders.

2.3 Authority and limits on the Share Buy-back Mandate

The authority and limitations placed on the Share Buy-backs under the Share Buy-back Mandate are as follows:

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired is limited to such number of Shares representing not more than 10.0% of the issued and paid-up Shares as at the Approval Date, unless, at any time during the Relevant Period, the Company has reduced its share capital by way of a special resolution under Section 78C of the Companies Act, or the Court has made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of Shares shall be taken to be the total number of Shares as altered. Shares which are held by the Company as treasury shares and subsidiary holdings will be disregarded for the purposes of calculating this 10.0% limit.

¹ Both the Advancer Global Employee Share Option Scheme ("**Advancer Global ESOS**") and the Advancer Global Performance Share Plan ("**Advancer Global PSP**") were adopted by the Company on 6 June 2016. Please refer to the Company's Offer Document dated 30 June 2016 for further details on the Advancer Global ESOS and the Advancer Global PSP.

For illustrative purposes, based on the existing issued and paid-up capital of the Company comprising 185,672,589 Shares as at the Latest Practicable Date, and assuming that (i) no further Shares are issued; (ii) no further Shares purchased or acquired and held as treasury shares; and (iii) no Shares are held as treasury shares and subsidiary holdings, not more than 18,567,258 Shares (representing 10.0% of the total Shares as at the date of the AGM) may be purchased or acquired by the Company pursuant to the Share Buy-back Mandate.

2.3.2 Duration of authority

Under the Share Buy-back Mandate, Share Buy-backs may be made during the Relevant Period, at any time and from time to time, from the Approval Date up to the earlier of:

- (a) the date on which the next AGM is held or is required by law to be held;
- (b) the date on which Share Buy-backs are carried out to the full extent mandated under the Share Buy-back Mandate; or
- (c) the date on which the authority contained by the Share Buy-back Mandate is varied or revoked by the Shareholders in a general meeting.

The Share Buy-back Mandate may be renewed by the Shareholders at each AGM or any other general meeting of the Company.

2.3.3 Manner of Share Buy-backs

Share Buy-backs under the Share Buy-back Mandate may be made by way of:

- (a) on-market purchases transacted on the Catalist or through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchases**"); and/or
- (b) off-market purchases transacted otherwise than on Catalist, in accordance with an equal access scheme (as defined in Section 76C of the Companies Act) ("**Off-Market Purchases**").

In an Off-Market Purchase, the Directors may impose such terms and conditions as are consistent with the Share Buy-back Mandate, the Catalist Rules, the Companies Act, the Constitution and other applicable laws and regulations as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme. Under the Companies Act, an Off-Market Purchase must satisfy all the following conditions:

- (a) offers for the Share Buy-backs shall be made to every person who holds Shares to purchase or acquire the same percentage of their issued Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, Rule 870 of the Catalist Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the Share Buy-back;
- (d) the consequences, if any, of Share Buy-backs by the Company that will arise under the Take-over Code or other applicable takeover rules;

- (e) whether the Share Buy-back, if made, would have any effect on the listing of the Shares on the Catalist;
- (f) details of any Share Buy-backs made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the Share Buy-backs, where relevant, and the total consideration paid for the Share Buy-backs; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum purchase price

The purchase price per Share (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share to be purchased or acquired will be determined by the Directors. However, the purchase price per Share to be paid as determined by the Directors must not exceed:

- (a) 105.0% of the Average Closing Price (as defined hereinafter) for a Market Purchase; and
- (b) 120.0% of the Average Closing Price (as defined hereinafter) for an Off-Market Purchase,

(the "**Maximum Price**") in either case, excluding related expenses of the Share Buy-back.

For the purposes of determining the Maximum Price above:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last 5 Market Days on which transactions in the Shares were recorded immediately preceding the day of the Market Purchase by the Company or, as the case may be, the Offer Date (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-Market Day period; and

"**Offer Date**" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of purchased or acquired Shares under the Share Buy-back Mandate**

- 2.4.1 A Share purchased or otherwise acquired by the Company under a Share Buy-back is deemed cancelled immediately on completion of the Share Buy-back (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or otherwise acquired by the Company and which are not held as treasury shares.
- 2.4.2 Any Shares purchased or acquired by the Company under a Share Buy-back (which are not held by the Company as treasury shares to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and (where applicable) the certificates in respect thereof will be cancelled by the Company as soon as reasonably practicable following settlement of any Share Buy-back.
- 2.4.3 At the time of each Share Buy-back, the Company may decide whether the Shares purchased will be cancelled or held as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

2.5 **Treasury shares**

Under the Companies Act, Shares purchased or otherwise acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1 Maximum holdings

The aggregate number of Shares held as treasury shares cannot at any time exceed 10.0% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within 6 months beginning on the date on which that contravention occurs or such further periods as ACRA may allow.

The Company has no Shares held as treasury shares as at the Latest Practicable Date.

2.5.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. The subdivision or consolidation of treasury shares into greater or smaller numbers is allowed so long as the total value of the treasury shares after such subdivision or consolidation is same as before the subdivision or consolidation, as the case may be.

2.5.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time (subject to the Take-over Code):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, Directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

2.6 Reporting requirements

2.6.1 Within 30 days of the passing of a Shareholders' ordinary resolution to approve any Share Buy-back, the Company shall lodge a copy of such resolution with ACRA.

2.6.2 The Company shall notify ACRA, using the prescribed form, within 30 days of a Share Buy-back on the Catalist or otherwise. Such notification shall include details of the Share Buy-back, such as the date of the Share Buy-backs, the total number of Shares purchased or acquired, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the Share Buy-back, the amount of consideration paid by the Company for the Share Buy-back, whether the Shares were purchased or acquired out of the profits or the capital of the Company, and such other particulars as may be required by ACRA.

2.6.3 Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.

2.6.4 Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**Treasury Usage**"). Such announcement must include details such as the date of the Treasury Usage, the purpose of the Treasury Usage, the number of treasury shares comprised in the Treasury Usage, the number of treasury shares before and after the Treasury Usage, the percentage of the number of treasury shares comprised in the Treasury Usage against the total number of shares outstanding in a class that is listed on the SGX-ST before and after the Treasury Usage and the value of the treasury shares comprised in the Treasury Usage.

2.6.5 The Catalist Rules specify that a listed company must make an announcement on SGXNET of all purchases or acquisitions of its shares no later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the date the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

2.6.6 The announcement must be in the form of Appendix 8D prescribed by the Catalist Rules. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary announcements.

2.7 Source of funds

2.7.1 In purchasing or acquiring its Shares, the Company may only apply funds legally available for Share Buy-backs in accordance with the applicable laws of Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

2.7.2 Under the Companies Act, Share Buy-backs may be made out of the Company's distributable profits or capital so long as the Company is solvent. In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimation of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

Pursuant to Section 76F(4) of the Companies Act, a company is "solvent" if the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if,
 - (i) it is intended to commence the winding up of the company within the period 12 months immediately after the date of payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the purchase or acquisition of Shares, become less than the value of its liabilities (including contingent liabilities).

2.7.3 The Company intends to use internal sources of funds or external borrowings, or a combination of internal resources and external borrowings to finance the Company's Share Buy-backs pursuant to the Share Buy-back Mandate. The Directors do not propose to exercise the Share Buy-back Mandate in a manner and to such extent that it would have a material adverse effect on the financial position, liquidity and/or the capital adequacy of the Group.

2.8 Financial effects

2.8.1 The financial effects on the Company and the Group arising from Share Buy-backs pursuant to the Share Buy-back Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number and price paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled.

2.8.2 **The Share Buy-back scenarios discussed below in this Section 2.8 are for illustrative purposes only**, to illustrate the financial effects on the Company and the Group arising from Share Buy-backs pursuant to the Share Buy-back Mandate under those scenarios, based on the audited financial statements of the Company and the Group for FY2017, and under the following principal assumptions:

- (a) The Share Buy-backs pursuant to the Share Buy-back Mandate had been effective on 1 January 2017;
- (b) Based on a total of 185,672,589 Shares in issue as at the Latest Practicable Date, and assuming no change in the number of Shares on or prior to the Approval Date, the Company carried out Share Buy-backs in respect of 18,567,258 Shares representing 10.0% of the total number of Shares (excluding treasury shares);
- (c) **In the scenarios where the Company makes Market Purchases:** Assuming that the Company purchases or acquires 18,567,258 Shares at the Maximum Price of S\$0.281 (being the price equivalent to 105.0% of the Average Closing Price of the Shares over the last 5 Market Days on which the Shares were transacted on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the Share Buy-back of 18,567,258 Shares would be approximately S\$5.217 million;
- (d) **In the scenarios where the Company makes Off-Market Purchases:** Assuming that the Company purchases or acquires 18,567,258 Shares at the Maximum Price of S\$0.322 (being the price equivalent to 120.0% of the Average Closing Price of the Shares over the last 5 Market Days on which the Shares were transacted on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the Share Buy-back of 18,567,258 Shares would be approximately S\$5.979 million; and

- (e) Transaction costs incurred for the Share Buy-backs pursuant to the Share Buy-back Mandate have been assumed to be insignificant and hence have been disregarded for the purpose of computing the financial effects.

Illustrative Financial Effects

2.8.3 **For illustrative purposes only**, and based on the assumptions set out above, the financial effects of the:

- (a) Share Buy-backs of 18,567,258 Shares by the Company made entirely out of capital and the purchased Shares are cancelled; and
- (b) Share Buy-backs of 18,567,258 Shares by the Company made entirely out of capital and the purchased Shares are held in treasury;

based on the audited financial statements of the Company and the Group for financial year ended 31 December 2017 are set out in the following pages.

2.8.4 Other than as described above, the financial effects of Share Buy-backs by the Company by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, and solely for purposes of illustration, only the financial effects of Share Buy-backs by way of purchases made out of capital are set out in this Addendum.

Scenario 1 – Market Purchases of 18,567,258 Shares out of capital and held as treasury shares

	Group			Company		
	Before Share Buy-back (S\$'000)	After Share Buy-back Market Purchase (S\$'000)	Off-Market Purchase (S\$'000)	Before Share Buy-back (S\$'000)	After Share Buy-back Market Purchase (S\$'000)	Off-Market Purchase (S\$'000)
As at 31 December 2017						
Share capital	18,378	18,378	18,378	18,378	18,378	18,378
Treasury shares	-	5,217	5,979	-	5,217	5,979
Shareholders' equity (excluding treasury shares)	22,065	16,848	16,086	19,049	13,832	13,070
Net tangible assets (NTA) ⁽¹⁾	14,535	9,318	8,556	19,049	13,832	13,070
Current assets	24,693	19,476	18,714	7,922	7,922	7,922
Current liabilities	10,873	10,873	10,873	277	5,494	6,256
Working capital	13,820	8,603	7,841	7,645	2,428	1,666
Total borrowings ^{(2) (3)}	11,507	11,507	11,507	277	5,494	6,256
Cash and cash equivalents	8,033	2,816	2,054	1,182	1,182	1,182
Net profit attributable to owners of the Company	3,056	3,056	3,056	1,441	1,441	1,441
Number of Shares excluding treasury shares	185,672,589	167,105,331	167,105,331	185,672,589	167,105,331	167,105,331
<u>Financial Ratios</u>						
NTA per share (cents) ⁽⁴⁾	7.83	5.58	5.12	10.26	8.28	7.82
EPS (cents) ⁽⁵⁾	1.65	1.83	1.83	0.78	0.86	0.86
Gearing ratio (times) ⁽⁶⁾	0.52	0.68	0.72	0.01	0.40	0.48
Current ratio (times) ⁽⁷⁾	2.27	1.79	1.72	28.60	1.44	1.27

Notes:

- (1) NTA equals Shareholders' equity less off non-controlling interest, intangible assets and goodwill on consolidation.
- (2) The Company will procure loans from its subsidiaries of an amount sufficient to finance the Share Buy-backs being approximately S\$5.22 million for Market Purchases and S\$5.98 million for Off-Market Purchases.
- (3) Total borrowings consist of total liabilities (excluding income tax payable and deferred tax liabilities).
- (4) NTA per Share is computed based on the NTA (i.e. net assets less intangible assets and non-controlling interests) divided by the number of Shares in issue (excluding treasury shares).
- (5) EPS has been computed based on FY2017 net profit after tax and minority interests divided by the number of Shares in issue (excluding treasury shares).
- (6) Gearing equals total borrowings divided by Shareholders' equity (excluding treasury shares).
- (7) Current ratio equals current assets divided by current liabilities.

Scenario 2 – Market Purchases of 18,567,258 Shares out of capital and cancelled

	Group			Company		
	Before Share Buy-back (S\$'000)	After Share Buy-back Market Purchase (S\$'000)	Off-Market Purchase (S\$'000)	Before Share Buy-back (S\$'000)	After Share Buy-back Market Purchase (S\$'000)	Off-Market Purchase (S\$'000)
As at 31 December 2017						
Share capital	18,378	13,161	12,399	18,378	13,161	12,399
Shareholders' equity (excluding treasury shares)	22,065	16,848	16,086	19,049	13,832	13,070
Net tangible assets (NTA) ⁽¹⁾	14,535	9,318	8,556	19,049	13,832	13,070
Current assets	24,693	19,476	18,714	7,922	7,922	7,922
Current liabilities	10,873	10,873	10,873	277	5,494	6,256
Working capital	13,820	8,603	7,841	7,645	2,428	1,666
Total borrowings ^{(2) (3)}	11,507	11,507	11,507	277	5,494	6,256
Cash and cash equivalents	8,033	2,816	2,054	1,182	1,182	1,182
Net profit attributable to owners of the Company	3,056	3,056	3,056	1,441	1,441	1,441
Number of Shares excluding treasury shares	185,672,589	167,105,331	167,105,331	185,672,589	167,105,331	167,105,331
Financial Ratios						
NTA per share (cents) ⁽⁴⁾	7.83	5.58	5.12	10.26	8.28	7.82
EPS (cents) ⁽⁵⁾	1.65	1.83	1.83	0.78	0.86	0.86
Gearing ratio (times) ⁽⁶⁾	0.52	0.68	0.72	0.01	0.40	0.48
Current ratio (times) ⁽⁷⁾	2.27	1.79	1.72	28.60	1.44	1.27

Notes:

- (1) NTA equals Shareholders' equity excluding non-controlling interest and intangible assets.
- (2) The Company will procure loans from its subsidiaries of an amount sufficient to finance the Share Buy-backs being approximately S\$5.22 million for Market Purchases and S\$5.98 million for Off-Market Purchases.
- (3) Total borrowings consist of total liabilities (excluding income tax payable and deferred tax liabilities).
- (4) NTA per Share is computed based on the NTA (i.e. net assets less intangible assets and non-controlling interests) divided by the number of Shares in issue (excluding treasury shares).
- (5) EPS has been computed based on FY2017 net profit after tax and non-controlling interests divided by the number of Shares in issue (excluding treasury shares).
- (6) Gearing equals total borrowings divided by Shareholders' equity (excluding treasury shares).
- (7) Current ratio equals current assets divided by current liabilities.

Shareholders should note that the financial effects set out above are based on the above-mentioned assumptions and are purely for purposes of illustration only. In particular, it is important to note that the above illustration is based on historical audited financial statements for the financial year ended 31 December 2017 and is not necessarily representative of future financial performance.

Although the Share Buy-back Mandate would authorise the Company to purchase or acquire up to 10.0% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the full 10.0% of the issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares purchased, acquired or hold all or part of the Shares purchased or acquired as treasury shares.

2.9 Tax implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of a Share Buy-back by the Company or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

2.10 Requirements under the Catalist Rules

2.10.1 Listing Status of the Shares on Catalist

Rule 723 of the Catalist Rules require a listed company to ensure that at least 10.0% of its total number of its issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public. The "public", as defined under the Catalist Rules, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the company or its subsidiaries, and the associates of such persons.

As at the Latest Practicable Date, there are 555 Shareholders and 38,443,500 Shares representing approximately 20.70% of the total number of issued Shares are held by the public. **For illustrative purposes only**, assuming the Company undertakes Share Buy-backs up to the full 10.0% limit pursuant to the Share Buy-back Mandate, the number of issued Shares held by the public would be reduced to 19,875,742 Shares representing approximately 11.89% of the total number of issued Shares. The Company does not have any individual shareholding limit or foreign shareholding limit.

Accordingly, the Directors are of the view that there is, at present, a sufficient number of Shares held by the public which would permit the Company to undertake Share Buy-backs to the full 10.0% limit pursuant to the Share Buy-back Mandate. Nonetheless, the Directors will use their best efforts to ensure that the Company does not affect Share Buy-backs, if such Share Buy-backs would result in the number of Shares remaining in the hands of the public falling to such a level as to (i) cause market illiquidity, (ii) adversely affect the orderly trading of the Shares, or (iii) adversely affect the listing status of the Company.

In undertaking any Share Buy-backs, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient number of Shares remain in public hands so that the Share Buy-backs will not (i) adversely affect the listing status of the Shares on Catalist; (ii) cause market illiquidity; and (iii) adversely affect the orderly trading of the Shares.

2.10.2 Restrictions on Share Buy-backs

While the Catalist Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time, the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares. As such, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalist Rules.

Further, in conformity with the best practices on dealing with securities under the Catalist Rules, the Company will not undertake any Share Buy-backs through Market Purchases or Off-Market Purchases during the period commencing 1 month immediately preceding the announcement of the Group's half year and full year results.

2.11 Take-over Implications

2.11.1 Appendix 2 of the Take-over Code contains the Share Buy-back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any Share Buy-backs are set out below:

Obligation to make a take-over offer

- (a) If, as a result of any Share Buy-back, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

Pursuant to Rule 14 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30.0% or more or, if they, together holding between 30.0% and 50.0% of the Company's voting rights, increase their voting rights in the Company by more than 1.0% in any period of 6 months.

Persons acting in concert

- (b) Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, *inter alia*, the following persons will, be presumed to be acting in concert:

- (i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company;
- (ii) a company with any of its directors, together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser, and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client's equity share capital;
- (vi) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to the instructions of that individual, companies controlled by any of the above, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Effect of Rule 14 and Appendix 2 of the Take-over Code

2.11.2 In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company carrying out a Share Buy-back, the voting rights of such Directors and their concert parties would increase to 30.0% or more, or if the voting rights of such Directors and their concert parties fall between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1.0% in any period of 6 months. The Directors and their concert parties will be exempted from the requirement to make a take-over offer subject to certain conditions as set out in the Take-over Code, including, *inter alia*:

- (a) the inclusion in the circular to Shareholders on the resolution to authorise the Share Buy-back Mandate advice to the effect that by voting for the resolution to authorise the Share Buy-back Mandate, Shareholders are waiving their rights to a take-over offer at the required price from the Directors and parties acting in concert with them who, as a result of the Company carrying out a Share Buy-back, would increase their voting rights to 30.0% or more, or, if they together hold between 30.0% and 50.0% of the Company's voting rights, would increase their voting rights by more than 1.0% in any period of 6 months; and the names of such Directors and persons acting in concert with them, their voting rights at the time of the resolution and after Share Buy-backs pursuant to the Share Buy-back Mandate; and
- (b) the submission to the SIC by each of the Directors of an executed form as prescribed by the SIC within 7 days of the passing of the resolution to authorise the Share Buy-back Mandate.

2.11.3 Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company carrying out a Share Buy-back, the voting rights of such Shareholder in the Company would increase to 30.0% or more, or if such Shareholder holds between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1.0% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-back Mandate unless so required under the Companies Act.

The statements in this Addendum do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers and/or the SIC at the earliest opportunity as to whether an obligation to make a take-over offer under the Take-over Code would arise by reason of any Share Buy-backs by the Company.

Application of the Take-over Code

2.11.4 Details of the shareholdings of the Directors and Substantial Shareholders as at the Latest Practicable Date are set out in Section 3 below.

2.11.5 As at the Latest Practicable Date:

- (a) our Chairman, Mr. Desmond Chin;
- (b) our Chief Executive Officer and Executive Director, Mr. Gary Chin; and
- (c) our Head of Employment Services, Mr. Francis Chin (Chin Swee Siew @ Chen Yin Siew),

(collectively, the "**Relevant Shareholders**"), are brothers, and hence are presumed to be parties acting in concert in relation to their interests in the Company.

2.11.6 As at the Latest Practicable Date, the Relevant Shareholders hold an aggregate of 105,266,004 Shares, representing approximately 56.7% of the voting rights in the Company.

2.11.7 As the Relevant Shareholders hold more than 50.0% of the voting rights in the Company, the Relevant Shareholders and parties acting in concert with them are not expected to incur an obligation to make a mandatory take-over offer for the Shares under Rule 14.1 of the Take-over Code as a result of the Company buying back its Shares under the Share Buy-back Mandate.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Buy-back pursuant to the Share Buy-back Mandate are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-back Mandate is in force.

2.12 Shares Purchased in the Previous 12 Months

No Share Buy-backs have been undertaken by the Company in the 12 months preceding the Latest Practicable Date.

3. DISCLOSURE OF SHAREHOLDINGS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares of the Company are as follows:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Desmond Chin ⁽¹⁾	37,138,249	20.0	–	–
Gary Chin ⁽¹⁾	30,572,337	16.5	–	–
Ong Eng Tiang	19,753,682	10.6	–	–
Loy Soo Chew	–	–	–	–
Yau Thiam Hwa	–	–	–	–
Vincent Leow	–	–	–	–
Substantial Shareholders				
Francis Chin ⁽¹⁾	37,555,418	20.2	–	–
MES Group Holdings Pte. Ltd.	12,500,000	6.7	–	–
Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed ⁽²⁾	502,500	0.3	12,500,000	6.7

Note:

(1) Mr. Desmond Chin, Mr. Gary Chin and Mr. Francis Chin are siblings.

(2) Mr. Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed is deemed interested in the shares held by MES Group Holdings Pte. Ltd. ("**MES**") through his 100% interest in MES. The shares of the Company held by MES are held through CIMB Securities (Singapore) Pte. Ltd.. Mr. Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed also holds 502,500 shares through Philip Securities Pte Ltd.

4. DIRECTORS' RECOMMENDATION

The Directors, having carefully considered, among others, the rationale and terms of the Share Buy-back Mandate, are of the opinion that it is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of relating to the renewal of the proposed Share Buy-back Mandate at the AGM.

5. APPROVAL AND RESOLUTION

Shareholders' approval for the proposed renewal of the Share Buy-back Mandate is sought at the AGM. The resolution relating to the proposed renewal of the Share Buy-back Mandate is contained in the Notice of AGM as Ordinary Resolution 11.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in this Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Addendum in its proper form and context.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 135 Jurong Gateway Road, #05-317, Singapore 600135, during normal business hours from the date of this Addendum up to the date of the AGM:

- (a) the Constitution; and
- (b) the Annual Report of the Company for the financial year ended 31 December 2017.

Yours faithfully,

For and on behalf of the Board of Directors

Advancer Global Limited
Desmond Chin

Executive Chairman
12 April 2018

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