Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

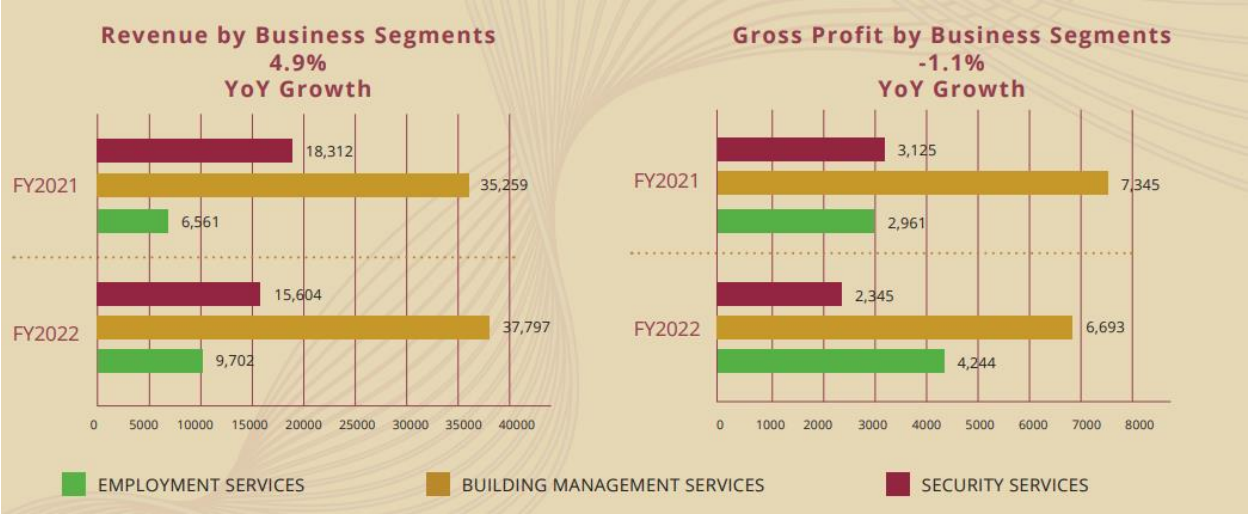
Issuer: Advancer Global Limited

Stock code: 43Q

Meeting details:
Date: 28 April 2023
Time: 3.00 p.m.
Venue: 135 Jurong Gateway Road, #05-317, Singapore 600135

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Q1. The financial highlight is shown on page 7 and an extract is reproduced below:



(Source: company annual report)

The building management services segment includes 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.

Segment revenue for the financial year increased from $35.3 million to $37.8 million in 2022 but the gross profit decreased from $7.3 million to $6.7 million. The reportable segment loss increased from $(3.86) million to $(4.50) million.

Looking ahead, under the Progressive Wage Model, labour costs are expected to be adjusted upwards by 20 to 25 percent from 2024 to 2028.

(i) **Can management provide additional details regarding the challenges faced by the Building Management Services (BMS) segment, particularly with labour costs expected to rise by as much as 25% in the upcoming years?**

(ii) **Is Advancer IFM Pte. Ltd. ("AIFM") addressing the paradigm shift needed to significantly improve the productivity and profitability of the BMS segment? Specifically, is AIFM exploring changes to the business model, leveraging technology and implementing business process reengineering to drive efficiency, enhance customer experience and support innovation?**

(iii) **Do the BMS contracts incorporate sufficient margin after taking into account rising costs? Has the management been selective at taking on new contracts if they do not offer sufficient margin to guard against high inflation?**

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Q2. The group uses the practical expedient under the accounting standards (SFRS(I) 9) in the form of allowance matrix to measure the expected credit loss (ECL) for trade receivables, where the loss allowance is equal to lifetime ECL.

The breakdown (page 140) is as follows:

30. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Trade receivables (Note 20) (Continued)

The loss allowance for trade receivables are determined as follows:

	Current	Past due for 1 to 30 days	Past due for 31 to 60 days	Past due for 61 to 90 days	Past due for 91 to 365 days	Past due more than 365 days	Total
31 December 2022							
Expected credit loss rates	–	–	–	–	^	99%	
Trade receivables (Gross) (S$'000)	4,247	2,080	1,357	586	1,186	234	9,690
Loss allowance (S$'000)	–	–	–	–	*	231	231
31 December 2021							
Expected credit loss rates	–	–	–	–	^	79%	
Trade receivables (Gross) (S$'000)	4,688	2,395	960	610	1,061	346	10,060
Loss allowance (S$'000)	–	–	–	–	*	273	273

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

^ *Denotes percentage less than 1%*

(Source: company annual report)

(i) **Can management provide additional clarity to shareholders regarding the efforts made in collecting the outstanding trade receivables? Furthermore, what are the main reasons for having approximately $5.5 million in overdue trade receivables?**

(ii) **What is the debtor profile for those with long outstanding trade receivables? Is there significant concentration in any particular customer/customer group or business line?**

(iii) **Can the audit committee help shareholders understand why the expected credit loss rates remain at 0% until the debts become past due by more than 365 days, at which point they jump to approximately 79-99%?**

(iv) **What is the profile of the customer with trade receivables that have been impaired?**

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Q3. The attendance of directors at board and board committee meetings is shown on page 43 of the annual report and reproduced below.

	No. of Meetings held and attended in FY2022							
	Board		Audit Committee		Nominating Committee		Remuneration Committee	
Director	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Danny Lim	2	2	2	2	2	2	2	2
Gary Chin	2	2	–	–	2	2	–	–
Desmond Chin	2	2	–	–	–	–	–	–
Ong Eng Tiang	2	2	–	–	–	–	–	–
Francis Yau	2	2	2	2	–	–	2	2
Shamsul Kamar	2	2	2	2	2	2	2	2
Takehito Hirano	2	0	–	–	–	–	–	–

(Source: company annual report)

It does not appear that Mr Takehito Hirano attended the board meetings in 2022. In fact, it seems like Mr Takehito Hirano also did not attend any of the two board meetings in 2021.

(i) **What were the extenuating circumstances that resulted in Mr Takehito Hirano being absent from the board meetings in the past two years?**

(ii) **Can the company confirm that Mr Takehito Hirano did not participate remotely through voice calls or video conferencing?**

(iii) **Would the effectiveness of the director be impaired if he has not been attending the board meetings? Similarly, has the board been effective and have the directors been able to discharge their duties and responsibilities?**

(iv) **Would Mr Takehito Hirano be committing himself to attend the board meetings?**

(v) **How can the company secretary and the company work together with the board to improve the attendance of directors at board meetings?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

Join our mailing list here to receive latest news and upcoming events.

CONNECT WITH US