



# ADVANCED HOLDINGS LTD

## Company Registration No. 200401856N

### Condensed Interim Financial Statements for the Six Months ended 30 June 2022

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst.

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

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

## Condensed Interim Financial Statements for Six-Months ended 30 June 2022

### A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Group		
		6 months ended		
	Note	30.06.2022 S\$'000	30.06.2021 S\$'000	Increase / (Decrease) %
Revenue	4	19,143	19,020	0.6
Cost of sales		(15,690)	(14,573)	7.7
Gross profit		3,453	4,447	(22.4)
Other operating income	6	331	451	(26.6)
Distribution and marketing costs		(1,796)	(2,128)	(15.6)
Administrative expenses		(2,769)	(2,929)	(5.5)
Other operating expenses		(144)	(430)	(66.5)
Other gains and losses, net	7	1,363	281	385.1
Finance cost		(135)	(143)	(5.6)
Share of results of an associate and a joint venture		(128)	(14)	814.3
Profit(Loss) before income tax	8	175	(465)	N.M
Income tax expense	9	(44)	(115)	(61.7)
<b>Profit(Loss) for the period</b>		<b>131</b>	<b>(580)</b>	<b>N.M</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations representing total other comprehensive income for the period, net of tax		291	48	506.3
Realisation of foreign currency translation differences on disposal of subsidiaries		(523)	-	N.M
<b>Total comprehensive income for the period</b>		<b>(101)</b>	<b>(532)</b>	<b>(81.0)</b>
<b>Profit(Loss) attributable to:</b>				
Owners of the Company		130	(582)	N.M
Non-controlling interests		1	2	(50.0)
		<b>131</b>	<b>(580)</b>	<b>N.M</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		(99)	(530)	(81.3)
Non-controlling interests		(2)	(2)	0.0
		<b>(101)</b>	<b>(532)</b>	<b>(81.0)</b>
<b>Earnings/(Losses) per share (cents)</b>				
Basic and diluted	10	0.13	(0.57)	N.M

N.M – Not Meaningful

## Condensed Interim Financial Statements for Six-Months ended 30 June 2022

### B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30.06.2022 S\$'000	31.12.2021 S\$'000	30.06.2022 S\$'000	31.12.2021 S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		20,026	19,245	3,268	1,941
Trade receivables		10,800	9,036	-	-
Other receivables and prepayments		5,617	2,850	5,947	5,259
Contract assets	12	6,614	6,130	556	525
Inventories		17,519	10,782	-	-
Assets classified as held for sale	13	13,984	4,470	-	-
<b>Total current assets</b>		<b>74,560</b>	<b>52,513</b>	<b>9,771</b>	<b>7,725</b>
<b>Non-current assets</b>					
Property, plant and equipment	14	5,876	18,149	463	487
Right-of-use assets		1,180	3,001	-	-
Investments in subsidiaries		-	-	37,391	37,391
Investment in an associate		3,770	3,787	3,786	3,787
Investment in a joint venture		876	426	1,071	510
Other receivables		1,020	-	1,020	-
Deferred tax assets		602	609	-	-
<b>Total non-current assets</b>		<b>13,324</b>	<b>25,972</b>	<b>43,731</b>	<b>42,175</b>
<b>Total assets</b>		<b>87,884</b>	<b>78,485</b>	<b>53,502</b>	<b>49,900</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Bank borrowings	15	2,155	2,151	622	625
Trade and other payables		10,866	8,765	15,760	11,736
Contract liabilities	12	23,177	12,227	-	-
Lease liabilities		45	51	-	-
Provision for warranty		20	20	-	-
Income tax payable		246	232	-	-
Liabilities directly associated with assets classified as held for sale	13	5,028	2,463	-	-
<b>Total current liabilities</b>		<b>41,537</b>	<b>25,909</b>	<b>16,382</b>	<b>12,361</b>
<b>Non-current liabilities</b>					
Bank borrowings	15	2,455	6,116	1,410	1,719
Lease liabilities		-	2,467	-	-
Deferred tax liabilities		5	5	-	-
<b>Total non-current liabilities</b>		<b>2,460</b>	<b>8,588</b>	<b>1,410</b>	<b>1,719</b>
<b>Capital and reserves and non-controlling interests</b>					
Share capital	16	47,433	47,433	47,433	47,433
Treasury shares	17	(1,837)	(1,837)	(1,837)	(1,837)
Foreign currency translation reserve		402	631	-	-
General reserve		1,617	1,617	-	-
Accumulated losses		(3,806)	(3,936)	(9,886)	(9,776)
<b>Equity attributable to owners of the Company</b>		<b>43,809</b>	<b>43,908</b>	<b>35,710</b>	<b>35,820</b>
Non-controlling interests		78	80	-	-
<b>Total equity</b>		<b>43,887</b>	<b>43,988</b>	<b>35,710</b>	<b>35,820</b>
<b>Total liabilities and equity</b>		<b>87,884</b>	<b>78,485</b>	<b>53,502</b>	<b>49,900</b>

## Condensed Interim Financial Statements for Six-Months ended 30 June 2022

### C. Condensed Interim Statements of Changes in Equity

#### Group

	Attributable to owners of the Company					Attributable to equity holders of the Company	Non-controlling interests	Total equity
	Share capital	Treasury shares	Foreign currency translation reserve	General reserve	Accumulated losses			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 January 2022</b>	47,433	(1,837)	631	1,617	(3,936)	43,908	80	43,988
<u>Total comprehensive income for the period</u>								
Profit for the period	-	-	-	-	130	130	1	131
Other comprehensive income for the period	-	-	(229)	-	-	(229)	(3)	(232)
<b>Balance as at 30 June 2022</b>	<b>47,433</b>	<b>(1,837)</b>	<b>402</b>	<b>1,617</b>	<b>(3,806)</b>	<b>43,809</b>	<b>78</b>	<b>43,887</b>
<b>Balance as at 1 January 2021</b>	47,433	(1,837)	337	1,561	(1,539)	45,955	85	46,040
<u>Total comprehensive income for the period</u>								
(Loss)/Profit for the period	-	-	-	-	(582)	(582)	2	(580)
Other comprehensive income for the period	-	-	52	-	-	52	(4)	48
Total	47,433	(1,837)	389	1,561	(2,121)	45,425	83	45,508
<u>Others</u>								
Incorporation of subsidiaries	-	-	-	-	-	-	490	490
<b>Balance as at 30 June 2021</b>	<b>47,433</b>	<b>(1,837)</b>	<b>389</b>	<b>1,561</b>	<b>(2,121)</b>	<b>45,425</b>	<b>573</b>	<b>45,998</b>

**C. Condensed Interim Statements of Changes in Equity (Cont'd)**

**Company**

	<b>Share capital</b>	<b>Treasury shares</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 January 2022</b>	47,433	(1,837)	(9,776)	35,820
Loss for the period, representing total comprehensive income for the period	-	-	(110)	(110)
<b>Balance as at 30 June 2022</b>	<b>47,433</b>	<b>(1,837)</b>	<b>(9,886)</b>	<b>35,710</b>
<b>Balance as at 1 January 2021</b>	47,433	(1,837)	(9,229)	36,367
Profit for the period, representing total comprehensive income for the period	-	-	158	158
<b>Balance as at 30 June 2021</b>	<b>47,433</b>	<b>(1,837)</b>	<b>(9,071)</b>	<b>36,525</b>

**D. Condensed Interim Consolidated Statement of Cash Flows**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
Profit (Loss) before income tax	175	(465)
Adjustments for:		
Depreciation of property, plant and equipment	345	362
Depreciation of right-of-use assets	140	166
Write back of allowance for inventories obsolescence	-	(27)
(Write-back of) Allowance for expected credit loss on trade receivables and contract assets	(105)	52
Loss on disposal of property, plant and equipment	-	1
Property, plant and equipment written off	19	-
Share of result of an associate	17	14
Share of result of a joint venture	111	-
Gain on disposal of subsidiaries (Note A)	(1,411)	-
Interest expense on bank borrowings	88	101
Interest expense on lease liabilities	47	42
Interest income	(43)	(31)
Unrealised exchange loss(gain)	63	(37)
Operating cash flows before movements in working capital	(554)	178
<u>(Increase) Decrease:</u>		
Inventories	(6,955)	(1,847)
Contract assets	(478)	(538)
Trade receivables	(1,873)	3,904
Other receivables and prepayments	(2,598)	(216)
<u>Increase (Decrease):</u>		
Contract liabilities	10,802	2,774
Trade and other payables	2,410	1,078
Utilisation of provision of warranty	-	(4)
Cash generated from operations	754	5,329
Income tax paid	(28)	(352)
Interest paid	(128)	(137)
Interest received	43	31
Net cash from operating activities	<b>641</b>	<b>4,871</b>
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	26
Net cash arising on disposal of subsidiaries (Note A)	2,655	-
Purchase of property, plant and equipment	(477)	(510)
Investment in a joint venture	(561)	-
Deferred payment for an investment in an associate	-	(5,000)
Loan to a joint venture	(1,020)	-
Net cash generated from (used in) investing activities	<b>597</b>	<b>(5,484)</b>

## Condensed Interim Financial Statements for Six-Months ended 30 June 2022

### D. Condensed Interim Consolidated Statement of Cash Flows (Cont'd)

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Financing activities</b>		
Proceeds from bank borrowings	225	-
Repayment of bank borrowings	(1,300)	(517)
Repayment of principal portion of lease liabilities	(61)	(141)
(Increase)Decrease in pledged fixed deposits	(1,474)	87
Net cash used in financing activities	<b>(2,610)</b>	<b>(571)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,372)</b>	<b>(1,184)</b>
Cash and cash equivalents at beginning of the period/year	19,553	31,065
Effects of exchange rate changes on the balance of cash held in foreign currencies	(138)	615
<b>Cash and cash equivalents at end of the period</b>	<b>18,043</b>	<b>30,496</b>
Cash and cash equivalents for statement of cash flows comprise:		
Cash and bank balances	18,043	30,496
Fixed deposits	1,983	402
Cash and cash equivalents	20,026	30,898
Less: Pledged fixed deposits	(1,983)	(402)
	<b>18,043</b>	<b>30,496</b>

**D. Condensed Interim Consolidated Statement of Cash Flows (Cont'd)**
**Note A : Disposals of subsidiaries**

During 1H2022, the Group disposed two subsidiaries as follows:

a) Disposal of Analytical Technology & Control Limited ("ATAC")

On 25 February 2022, the Group disposed of 100% equity interests in ATAC. The effects of the disposal of ATAC on the financial position of the Group as at 25 February 2022 are as follows:

	S\$'000
<b>Current assets</b>	
Cash and cash equivalents	61
Trade receivables	259
Other receivables and prepayments	115
Inventories	152
Total current assets	<u>587</u>
<b>Current liabilities</b>	
Trade and other payables	272
Provision for warranty	1
Bank borrowing	17
Total current liabilities	<u>290</u>
<b>Non-current liability</b>	
Bank borrowing	63
Total non-current liability	<u>63</u>
<b>Loss on disposal of a subsidiary</b>	
Total consideration received	0*
Less net assets derecognised	234
Loss on disposal of ATAC	<u>(234)</u>
Total consideration	0*
Less: Cash and cash equivalents in a subsidiary disposed	<u>(61)</u>
Net cash outflow arising on disposal, representing cash and cash equivalents of ATAC disposed	<u>(61)</u>

\*The consideration is S\$2.00.

**D. Condensed Interim Consolidated Statement of Cash Flows (Cont'd)**
**Note A : Disposals of subsidiaries (Cont'd)**
**b) Disposal of Guided Wave Inc. ("GWI")**

On 1 March 2022, the Group disposed of 100% equity interests in GWI. The effects of the disposal of GWI on the financial position of the Group as at 1 March 2022 are as follows:

	S\$'000
<b>Current assets</b>	
Cash and cash equivalents	1,140
Trade receivables	801
Other receivables and prepayments	117
Inventories	1,566
Total current assets	3,624
<b>Non-current assets</b>	
Right-of-use assets	1,005
Property, plant and equipment	16
	1,021
<b>Current liabilities</b>	
Trade and other payables	1,333
Provision for warranty	48
Lease liabilities	208
Total current liabilities	1,589
<b>Non-current liability</b>	
Lease liabilities	821
Deferred tax liabilities	24
Total non-current liabilities	845
<b>Gain on disposal of a subsidiary</b>	
Total consideration received	3,856
Less net assets derecognised	(2,211)
Gain on disposal of GWI	1,645
Total consideration	3,856
Less: Cash and cash equivalents in a subsidiary disposed	(1,140)
Net cash outflow arising on disposal, representing cash and cash equivalents of GWI disposed	2,716

Summary of the cashflow effect of the disposals of ATAC and GWI to the Group's cashflow is as follows:

	<b>ATAC</b>	<b>GWI</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000
(Loss)Gain on disposal of subsidiary	(234)	1,645	1,411
Net cash outflow arising on disposal	(61)	2,716	2,655

## **E. Notes to the Condensed Interim Financial Statements**

### **E1 Corporate information**

Advanced Holdings Ltd. (the “**Company**”) is a limited liability company incorporated in Singapore with its principal place of business and registered office at 30 Woodlands Loop, Singapore 738319. The Company is listed on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). These condensed interim consolidated financial statements as at and for the six-months ended 30 June 2022 (“**1H2022**”) comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries and associate are disclosed in the Company’s financial year ended 31 December 2021 (“**FY2021**”) Annual Report, Notes 14 and 15 respectively. There are no significant changes in the nature of these activities during the financial period.

The principal activities of the joint venture is that of corn cultivation, corn accumulation and trading, and corn processing in Indonesia.

### **E2 Basis of preparation**

The condensed interim financial statements for 1H2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim 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 audited consolidated financial statements for FY2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars (“**SGD**” or “**\$**”) and all values in the tables are rounded to the nearest thousand (\$’000), except when otherwise indicated.

#### **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 judgements and estimates**

The preparation of the Group’s condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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 2021.

The key assumptions concerning the future, and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period, are discussed below.

**E Notes to the Condensed Interim Financial Statements (Cont'd)**

**2.2. Use of judgements and estimates (cont'd)**

**(a) Provision for expected credit losses (“ECLs”) of trade receivables and contract assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every financial year-end date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future.

At the same time, the Group provides for ECL as and when there is indication that the Group is not able to recover the trade receivable and/or contract asset. There were no additional ECL in 1H2022.

**(b) Impairment assessment of long-lived assets**

The Group assesses whether there are any indicators of impairment for long-lived assets at each reporting date. The Group also assesses whether there is an indication that previously recognised impairment losses no longer exist or have decreased.

An impairment exists when the carrying value of long-lived assets exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset’s performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The Group assessed and reviewed the recoverable amount of its long-lived assets during the six months ended 30 June 2022 and concluded that there were no additional impairment as at 30 June 2022.

**E3 Seasonal operations**

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

**E Notes to the Condensed Interim Financial Statements (Cont'd)**
**E4 Segment and revenue information**

Management has determined segment based on how information is reported to the Group's chief operating decision maker for the purposes of resource allocation and operating performance review.

The Group's reportable segments under SFRS(I) 8 consist of engineering service and manufacturing for customers operating mainly in the Petrochemicals & Chemicals and Oil & Gas industries. This segment includes contract income from system integration solutions for process analyser and specialty valves, sale of analyser technologies products, maintenance and repair of analysers, specialty valves and systems, and commission income from agency agreements.

The Group's activities are primarily based in the PRC, Singapore, Middle East and India.

**4.1. Reportable segment**
**(a) Analysis by business segment**

	<b>Engineering, Service &amp; Manufacturing</b>	
	<b>6 months ended</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>
	S\$'000	S\$'000
<b>Revenue</b>	19,143	19,020
<b><u>Segment results</u></b>		
Segment results	431	796
Share of results of an associate and a joint venture	(128)	(14)
Interest income	43	31
Interest expense	(135)	(143)
Unallocated expenses	(36)	(1,135)
Profit(Loss) before income tax	175	(465)
Income tax	(44)	(115)
Profit(Loss) for the period	131	(580)
<b><u>Assets</u></b>		
Segment assets	52,740	65,226
Investment in an associate	3,770	3,918
Investment in a joint venture	876	-
Deferred tax assets	602	357
Unallocated assets	29,896	8,301
	87,884	77,802
<b><u>Liabilities</u></b>		
Segment liabilities	20,913	18,087
Current and deferred tax liabilities	251	250
Unallocated liabilities	22,833	13,467
	43,997	31,804

## Condensed Interim Financial Statements for Six-Months ended 30 June 2022

### E Notes to the Condensed Interim Financial Statements (Cont'd)

#### 4.1. Reportable segment (Cont'd)

##### (a) Analysis by business segment (Cont'd)

<u>Other information</u>	<b>Engineering, Service &amp; Manufacturing</b>	
	<b>6 months ended</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>
	S\$'000	S\$'000
Capital additions:		
- Property, plant and equipment	477	508
- Unallocated property, plant and equipment	-	2
	<u>477</u>	<u>510</u>
Write-back of allowance for inventories obsolescence	-	(27)
(Write back)/Allowance for expected credit loss on trade receivables	(105)	52
Depreciation and amortisation	459	508
Unallocated depreciation and amortisation	26	20
	<u>485</u>	<u>528</u>

##### (b) Analysis by geographical segments

Segment revenue is analysed based on the geographical presence of the end-users and non-current assets are analysed based on the geographical location of those assets.

	<b>6 months ended</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>
<u>Revenue</u>	S\$'000	S\$'000
China	10,651	6,663
Middle East	2,976	4,364
Africa	1,297	-
Brazil	1,444	-
USA	854	2,130
Singapore	602	3,301
Other Asian Countries	973	263
Other European Countries	300	467
Indonesia	-	983
India	-	419
Thailand	-	178
Malaysia	-	159
Vietnam	20	19
South Korea	9	23
Kazakhstan	-	2
Others	17	49
	<u>19,143</u>	<u>19,020</u>

**E Notes to the Condensed Interim Financial Statements (Cont'd)**
**4.1. Reportable segment (Cont'd)**
**(b) Analysis by geographical segments (Cont'd)**

	30.06.2022	30.06.2021
	S\$'000	S\$'000
<b><u>Non-current operating assets</u></b>		
China	6,974	2,606
Singapore	5,284	19,768
Europe and USA	-	73
Others	46	62
	<u>12,304</u>	<u>22,509</u>

**4.2. Disaggregation of revenue**

	Group	
	6 months ended	
	30.06.2022	30.06.2021
	\$'000	\$'000
<b>Type of goods or service</b>		
Sales of goods	14,108	14,065
Contract income	4,529	4,138
Service income	506	788
Commission income	-	29
	<u>19,143</u>	<u>19,020</u>
<b>Timing of revenue recognition</b>		
At a point in time:		
Sales of goods	14,108	14,065
Commission income	-	29
	<u>14,108</u>	<u>14,094</u>
Over time:		
Contract income	4,529	4,138
Service income	506	788
	<u>5,035</u>	<u>4,926</u>
	<u>19,143</u>	<u>19,020</u>

**E Notes to the Condensed Interim Financial Statements (Cont'd)**
**E5 Financial assets and liabilities**

The following table sets out the financial instruments as at the end of the reporting period:

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Financial assets at amortised costs:				
- Cash and bank balances and fixed deposits	20,026	19,245	3,268	1,941
- Trade receivables	10,800	9,036	-	-
- Other receivables	1,139	388	6,959	5,221
	<b>31,965</b>	<b>28,669</b>	<b>10,227</b>	<b>7,162</b>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost:				
- Trade and other payables	10,866	8,765	15,760	11,736
- Bank borrowings	4,610	8,267	2,032	2,344
- Lease liabilities	45	2,518	-	-
	<b>15,521</b>	<b>19,550</b>	<b>17,792</b>	<b>14,080</b>

The following table sets out the financial instruments including financial instruments under disposal groups held for sale as at the end of the reporting period:

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Financial assets at amortised costs:				
- Cash and bank balances and fixed deposits	20,026	20,245	3,268	1,941
- Trade receivables	10,800	9,976	-	-
- Other receivables	1,139	93	6,959	5,221
	<b>31,965</b>	<b>30,314</b>	<b>10,227</b>	<b>7,162</b>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost:				
- Trade and other payables	10,866	9,429	15,760	11,736
- Bank borrowings	7,193	8,359	2,032	2,344
- Lease liabilities	2,490	2,518	-	-
	<b>20,549</b>	<b>20,306</b>	<b>17,792</b>	<b>14,080</b>

**Condensed Interim Financial Statements for Six-Months ended 30 June 2022**
**E Notes to the Condensed Interim Financial Statements (Cont'd)**
**E6 Other operating income**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>
	\$'000	\$'000
Interest income from fixed deposits	43	31
Rental income	273	363
Sundry income	15	57
	331	451

**E7 Other (gains) and losses**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>
	\$'000	\$'000
Write back of allowance for inventories obsolescence	-	(27)
(Write-back of)/allowance for expected credit loss	(105)	52
Loss on disposal of property, plant and equipment	-	1
Property, plant and equipment written off	19	-
Gain on disposal of subsidiaries	(1,411)	-
Foreign exchange loss/(gain), net	134	(307)
	(1,363)	(281)

**E8 Profit(Loss) before income tax**
**8.1. Significant items:**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>
	\$'000	\$'000
Depreciation of property, plant and equipment	345	362
Depreciation of right-of-use assets	140	166
Interest expenses on bank borrowings	88	101
Interest on lease liabilities	47	42
Interest income	(43)	(31)
Write back of allowance for inventories obsolescence	-	(27)
(Write-back of) Allowance for expected credit loss on trade receivables and contract assets	(105)	52
Loss on disposal of property, plant and equipment	-	1
Property, plant and equipment written off	19	-
Gain on disposal of subsidiaries	(1,411)	-
Foreign exchange loss (gain), net	134	(307)
Research and development expenses	143	430
Employees benefit expense (including directors)	2,852	3,105
Defined contribution plans (including directors)	189	222
	189	222

## Condensed Interim Financial Statements for Six-Months ended 30 June 2022

### E Notes to the Condensed Interim Financial Statements (Cont'd)

#### 8.2 Related party transactions

Some of the Company's transactions and arrangements are between members of the Group and the effects of these on the basis determined between the parties are reflected in these condensed interim financial statements. The intercompany balances are unsecured, interest-free and repayable upon demand unless otherwise stated.

Significant intercompany transactions are presented below:

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>
	\$'000	\$'000
Management fee income received/receivable from subsidiaries	1,126	1,293

#### E9 Income tax expense

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>
	\$'000	\$'000
<b>Income tax</b>		
- Current year	34	113
- Overprovision in prior years	-	2
	34	115
Withholding tax	10	-
	44	115

#### E10 Earnings(Losses) per share

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>
	Cents	Cents
Earnings(Losses) per share for period based on net profit(loss) attributable to owners of the Company:		
(i) Based on weighted average number of ordinary shares in issue	0.13	(0.57)
(ii) On a fully diluted basis	0.13	(0.57)

The calculation of basic earnings(losses) per share is based on profit(loss) attributable to owners of the Company in the respective periods divided by the weighted average number of ordinary shares of 101,268,367 (30 June 2021: 101,268,367). The calculation of diluted earnings(losses) per shares is the same as the basic earnings(losses) per shares as the Company did not have potentially dilutive ordinary shares as at 30 June 2022 and 30 June 2021.

## Condensed Interim Financial Statements for Six-Months ended 30 June 2022

### E Notes to the Condensed Interim Financial Statements (Cont'd)

#### E11 Net asset value

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at end of the period	43.26	43.36	35.26	35.37

Net asset value per ordinary share is calculated based on net asset attributable to owners of the Company in the respective periods divided by the issued share capital (excluding treasury shares) of 101,268,367 ordinary shares as at 30 June 2022 (31 December 2021: 101,268,367).

#### E12 Contract assets and contract liabilities

##### Contract assets

	Group		Company	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Accrued revenue	1	79	556	525
Amounts related to construction contracts	6,627	6,065	-	-
Less: Allowance for expected credit loss	(14)	(14)	-	-
	<u>6,614</u>	<u>6,130</u>	<u>556</u>	<u>525</u>

##### Contract liabilities

	Group	
	30.06.2022	31.12.2021
	\$'000	\$'000
Advanced receipts from customers	13,514	10,150
Amounts related to construction contracts	9,663	2,077
	<u>23,177</u>	<u>12,227</u>

#### E13 Assets classified as held for sale

The Group had on 21 March 2022 accepted a non-binding letter of intent (“LOI”) and thereafter entered into an Option to Purchase agreement with an independent third-party purchaser (the “Purchaser”) to dispose its property located at 30 Woodlands Loop, Singapore 738319 (the “Property”) for a consideration of S\$13.2 million (the “Property Disposal”). The Group, together with the Purchaser, had submitted to the JTC Corporation (“JTC”) documents to obtain the consent of JTC for the Group to sell and the Purchaser to purchase the Property and for the change in use for the Property.

The assets and liabilities relating to the Property Disposal have been classified as assets classified as held for sale and liabilities directly associated to assets held for sale as at 30 June 2022, comprised of the following:

	S\$'000
Property, plant and equipment	12,246
Right-of-use assets	1,738
Assets classified as held for sale	<u>13,984</u>
Bank borrowings	(2,583)
Lease liabilities	<u>(2,445)</u>
Liabilities directly associated with assets classified as held for sale	<u>(5,028)</u>

**E Notes to the Condensed Interim Financial Statements (Cont'd)**
**E14 Property, plant and equipment**

During 1H2022, the Group acquired assets amounting to \$476,913 (1H2021: \$510,000) and disposed assets amounting to \$Nil (1H2021: \$27,000).

**E15 Borrowings**
**Amount repayable in one year or less, or on demand**

30.06.2022		31.12.2021	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
4,738 <sup>(1)</sup>	-	2,151	18 <sup>(2)</sup>

**Amount repayable after one year**

30.06.2022		31.12.2021	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,455	-	6,116	65 <sup>(2)</sup>

<sup>(1)</sup> Of which S\$2,583,000 is reclassified to liabilities directly associated with assets classified as held for sale.

<sup>(2)</sup> These borrowings are reclassified to liabilities directly associated with assets classified as held for sale.

Bank borrowings as at 30 June 2022 comprised the following:

1. a long-term loan secured by the leasehold property at 30 Woodlands Loop, Singapore 738319 and is covered by a corporate guarantee from the Company;
2. a long-term loan secured by a corporate guarantee issued by the Company; and
3. a long-term loan secured by a corporate guarantee issued by a subsidiary.

**E16 Share Capital**

<u>Issued Ordinary Shares</u>	No. of Shares	
	30.06.2022	31.12.2021
Total number of issued shares	103,521,700	103,521,700
Total number of treasury shares	2,253,333	2,253,333
Total number of issued shares excluding treasury shares	<b>101,268,367</b>	<b>101,268,367</b>

Fully paid ordinary shares (excluding treasury shares), which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

There were no changes in the Company's share capital during the current financial period reported on.

The Company held no outstanding convertible shares as at 30 June 2022, 31 December 2021 and 30 June 2021.

There were no subsidiary holdings held as at 30 June 2022, 31 December 2021 and 30 June 2021.

**E Notes to the Condensed Interim Financial Statements (Cont'd)**
**E17 Treasury shares**

There were no sales, transfers, disposal, cancellation, and/or use of treasury shares for the current financial year reported on.

	<b>Group and Company</b>			
	<b>30.06.2022</b>		<b>31.12.2021</b>	
	<u>No. of shares</u>	<u>\$'000</u>	<u>No. of shares</u>	<u>\$'000</u>
Issued and paid up at end of the period	2,253,333	1,837	2,253,333	1,837
As percentage of total issued shares (excluding treasury shares)	2.2%		2.2%	

**F. Other Information**
**F1 Review**

The condensed consolidated statement of financial position of Advanced Holdings Ltd. and its subsidiaries as at 30 June 2022 and the related condensed statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

**F2 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.  
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable.

**F3 Review of performance of the Group**
**Income statement**

Six-months ended 30 June 2022 ("**1H2022**") as compared to six-months ended 30 June 2021 ("**1H2021**")

The Group managed to maintain its revenue at about S\$19.1 million in 1H2022. In 1H2022, the Group concluded a number of trading transactions with a customer in China and increased its trading revenue by about S\$6.8 million. This increase in trading revenue was offset by the decline in sales due to the disposal of ATAC and GWI (the "**Disposals**") of about S\$3.0 million, the lockdown in Shanghai that caused delays in the delivery of the orders of about S\$2.6 million and decrease in revenue by our Singapore subsidiary due to a certain major project undertaken in 1H2021 of about S\$1.2 million.

The decline in the gross profit margin from 23% in 1H2021 to 18% in 1H2022 was due to the lower gross margin of 16% from the incremental trading revenue that pushed down the Group's overall gross profit margin.

**F. Other Information (Cont'd)**

**F3 Review of performance of the Group (Cont'd)**

Other operating income declined by about S\$0.1 million to S\$0.3 million in 1H2022, primarily due to decrease in rental revenue of the China subsidiary as the tenant negotiated for reduced rent due to the lockdown in Shanghai. The China team has concluded discussions with the tenant, agreed with some revision for the period and will proceed to raise invoices for the shortfall in the month of August 2022.

Distribution and marketing expenses declined by about 16%, from S\$2.1 million in 1H2021 to S\$1.8 million in 1H2022, mainly driven by a reduction in salaries and commission expense as the Group streamlined its manpower requirement after the Disposals. Administrative expenses have also reduced by about S\$0.16 million because of the cost savings of S\$0.4 million from the Disposals, which was partially offset by an increase in salary related expenses as we made provisions for laying-off some staff in China and increase in professional expenses as the Company transferred to the Catalist Board and lastly, on account of fees incurred for Disposals in 1H2022.

Other operating expenses pertain to research and development expenditure. These activities were mainly carried by GWI and with the disposal of GWI in March 2022, we achieved savings of about S\$0.3 million.

The breakdown on the other gain and losses is presented in Note E.7, which explained the increase in the other gain and losses in 1H2022 of about S\$1.1 million.

Share of results of an associate and a joint venture relates to the investment in Agricore Global Pte Ltd and the joint venture with two partners for setting up a corn cultivation, corn accumulation and trading, and corn processing facility in Indonesia (the “**Joint Venture**”). The losses from the Joint Venture were mainly share of manpower costs for the planning, sourcing for contractors and suppliers for the corn facility.

The Group closed 1H2022 with a profit of about S\$0.1 million compared to a loss of S\$0.6 million in 1H2021.

Geographically [refer to Notes E4.1(b) to the condensed interim consolidated financial statements], customers from China and Middle East constitute the two largest markets. In 1H2022, we managed to execute and complete some projects in Africa and Brazil and recorded revenue of S\$1.3 million and S\$1.4 million respectively. The Engineering, Service and Manufacturing segment was able to achieve S\$0.4 million profit in 1H2022 mainly due to gain from the disposal of GWI.

**Statement of Financial Position**

The Group's financial position as at 30 June 2022 remains healthy with a strong net working capital of S\$33 million.

The Group's total assets increased by S\$9.4 million, from S\$78.5 million as at 31 December 2021 to S\$87.9 million as at 30 June 2022. The Group's current assets as at 30 June 2022 stood at S\$74.6 million, which accounted for 85% of the Group's total assets and represents an increase of S\$22.1 million from S\$52.5 million as at 31 December 2021. The increase in current assets was mainly due to:

- a) increase in assets classified as held for sale of about S\$9.5 million;
- b) increase in inventories of S\$6.7 million due to lockdown in Shanghai that resulted in a high work-in-progress inventories;
- c) trade receivables increased by about S\$1.8 million, due to (i) increase in the trading revenue, (ii) China's subsidiary started to invoice customers during late June 2022 with the progressive resumption of operations, and (iii) partially offset by a reduction in trade receivables from the two disposed off entities, GWI and ATAC;

**F. Other Information (Cont'd)**

**F3 Review of performance of the Group (Cont'd)**

- d) increase in other receivables and prepayment of S\$2.8 million due to an increase in advance payments to suppliers by the China subsidiary in order to bring in inventory to commence manufacturing of the orders; and
- e) Increase in bank balance of S\$0.8 million mainly due to net cash from the disposal of GWI of S\$2.7 million and offset by the investment and loan to the Joint Venture of S\$1.5 million and purchase of property, plant and equipment of about S\$0.5 million.

The Group's non-current assets consist mainly of property, plant and equipment, right-of-use assets, investment in an associate and investment in and loan to the Joint Venture. The decrease in the non-current assets by S\$12.7 million from S\$26 million as at 31 December 2021 to S\$13.3 million as at 30 June 2022 was due to reclassification of non-current assets associated to the Property to 'assets classified as held for sale of S\$14 million and partially offset by a loan of S\$1 million extended to the Joint Venture.

The Group's total liabilities increased by S\$9.5 million and stood at S\$44 million as at 30 June 2022; current liabilities accounted for 94% of the Group's liabilities or S\$41.5 million. Apart from the reclassification of liabilities directly associated to the Property from non-current liabilities to 'current liabilities', the increase in liabilities is mainly due to (a) increase in advance receipts from customers of S\$3.4 million to commence projects and (b) recognition of contract liabilities of S\$7.6 million on these projects as the China team resumed operations in June 2022.

**Statement of Cash Flows**

The Group's cash and cash equivalents decreased by approximately S\$1.5 million, from S\$19.5 million as at 31 December 2021 to S\$18 million as at 30 June 2022. Eliminating the increase in pledged fixed deposits of S\$1.5 million and the effects of exchange rate changes on the balance of cash held in foreign currencies of S\$0.1 million, the Group's cash and cash equivalents would have increased by S\$0.1 million.

The Group recorded net cash generated from operating activities of S\$0.6 million in 1H2022 as compared to S\$4.9 million in 1H2021. This was mainly due to the movement in working capital and primarily caused by the lockdown in Shanghai that resulted in significant fluctuations in current assets and liabilities.

Net cash generated from investing activities amounted to S\$0.6 million in 1H2022 as compared to net cash used in investing activities of S\$5.5 million in 1H2021. Net cash received from the Disposals of S\$2.6 million is partially offset by the addition of property, plant and equipment of S\$0.5 million, investment in and loan to the Joint Venture of S\$1.6 million.

Net cash used in financing activities (excluding the increased pledged fixed deposit) amounted to \$1.1 million in 1H2022, which represents the net payment to banks.

**F4 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No specific forecast or a prospect statement has been disclosed previously.

**F. Other Information (Cont'd)**

**F5 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 operating period and the next 12 months**

It is yet a bit early to determine if the increase in oil price may be sustainable. However, as of now it has not really translated into real opportunities for our sectors yet in the refining and petrochemical industries.

Based on the Group's recent working experience with major international customers, the current trend with customers seems to suggest they are cutting back on their reliance on external experts and service providers. Customers are instead exploring opportunities to recruit their own engineers and work on projects on their own, a change from the past where they used to outsource projects to external companies, such as the Group.

The electrification of vehicles for transportation is gathering momentum and is a trend which appears to be irreversible. This would mean that the demand for refinery products (mainly transportation fuel and light products) may remain gloomy in the mid to long term where most of the Group's revenue is generated. Most major cities have set a mandate of only allowing the use of electric vehicle by 2030 to 2040. This will have a dampening effect on the Group's revenue in this sector.

The impact of the Covid-19 pandemic remains real to the Group especially to our China's subsidiary in Shanghai where the Group's manufacturing facility is located. The World Health Organisation has on 23 July 2022 issued a global alert and determined that the multi-country outbreak of the African monkeypox constitutes a Public Health Emergency of International Concern<sup>(1)</sup>. The African monkeypox virus is determined as a serious infectious disease which could have huge ramification worldwide with many countries globally reporting cases daily, including Singapore.

<sup>(1)</sup>[https://www.who.int/news/item/23-07-2022-second-meeting-of-the-international-health-regulations-\(2005\)-\(ihr\)-emergency-committee-regarding-the-multi-country-outbreak-of-monkeypox](https://www.who.int/news/item/23-07-2022-second-meeting-of-the-international-health-regulations-(2005)-(ihr)-emergency-committee-regarding-the-multi-country-outbreak-of-monkeypox)

**F6 Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? No

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the current financial period reported on? No

**(c) Date payable**

Not applicable.

**(d) Record date**

Not applicable.

**If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared or recommended for 1H2022 as the board deems it appropriate to retain the cash for the Group's future growth.

**F. Other Information (Cont'd)**

**F7 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 902(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

The Group did not obtain a general mandate from shareholders for IPTs.

There was no discloseable interested person transaction for 1H2022.

**F8 Confirmation that the issuer had procured undertakings from all its directors and executives' officers.**

The Company confirms that it had procured undertakings from all its directors and executive officers under Rule 720(1) of the Catalist Rules.

**F9 Negative Assurance Confirmation On Interim Financial Results pursuant to Rule 705(5) of the Catalist Rules.**

We, Dr Wong Kar King and Mr Lim Boon Cheng, being two directors of Advanced Holdings Ltd. (the "**Company**"), do hereby confirm on behalf of the directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial results for the period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dr Wong Kar King  
Managing Director

Mr Lim Boon Cheng  
Independent Director

**F10 Disclosure on acquisition (including incorporations) and realisation pursuant to Rule 706A of the Catalist Rules.**

Save as announced on (i) 7 January 2022, 4 February 2022, 21 February 2022 and 1 March 2022 in relation to the disposal of GWI and (ii) 10 February 2022 and 28 February 2022 in relation to the disposal of ATAC, there were no other acquisitions or realisation of shares in any of the Group's subsidiaries and associated companies nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during 1H2022.

**BY ORDER OF THE BOARD**

Dr Wong Kar King  
Managing Director  
11 August 2022