#### ADVANCED HOLDINGS LTD.

(Incorporated in the Republic of Singapore) (Company Registration No. 200401856N) (the "Company")

# DIFFERENCES BETWEEN REVISED AND PREVIOUSLY ANNOUNCED FINANCIAL RESULTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

The board of directors (the "Board") of the Company refers to its announcement dated 11 August 2020 in relation to the Company's half-yearly financial results for the six (6) months ended 30 June 2020 ("1H2020") (the "Previously Announced Financial Results").

Pursuant to Rule 703 of the Listing Manual, the Board wishes to highlight and clarify the material differences between the Previously Announced Financial Statements and the revised financial statements for 1H2020 (the "**Revised Financial Statements**") due to FY2019 audit adjustments.

The main causes of variances between the Previously Announced Financial Statements and the Revised Financial Statements relates to the following:

#### Group

- Impairment allowance amounting to S\$11 million was made in the financial year ended 31 December 2019 ("FY2019") for the investment in one of the associated companies, Agricore Global Pte Ltd, as the recoverable amount based on a value-in-use calculation was lower than the carrying amount (please refer to note 18 in the Notes to Financial Statements in the FY2019 Annual Report for more details).
- The Group relied on the management accounts of Advanced CAE Pte Ltd ("CAEPL"), Advanced CAE (ME) Control System L.L.C. ("CAEME") and Advanced CAE Saudi Arabia Company Limited ("CAESA") to derive the consolidated financial statements for announcement of the Previously Announced Financial Statements. Audit adjustments made to the financial statements of CAEPL, CAEME and CAESA after the announcement of the Previously Announced Financial Statements resulted in the following:
  - Decrease in inventory of S\$1.3 million.
  - Decrease in Trade and other payables of S\$1.1million

#### Company

- Impairment allowance amounting to S\$11.5 million was made in FY2019 for the investment in subsidiaries due to the uncertain global economic conditions and the existing challenging climate surrounding the oil and gas industry.
- Impairment allowance amounting to S\$11 million was made in FY2019 for the investment in one of the associate companies, Agricore Global Pte Ltd, as the recoverable amount based on a value-in-use calculation was lower than the carrying amount (please refer to note 18 in the Notes to Financial Statements in the FY2019 Annual Report for more details).

Further details on the adjustments are set out in the tables as shown below.

A comparison of Previously Announced Financial Statements and Revised Financial Statements for 1H2020 is set out below:

# **Consolidated Statement of Comprehensive Income**

	GROUP				
	1 6	nonths ended	30 June 2020	)	
	Revised	As Previously Reported	Difference	Increase / (Decrease)	
	S\$'000	S\$'000	S\$'000	%	
Revenue	36,842	36,844	(2)	(0.0)	
Cost of sales	(28,084)	(28,085)	1	(0.0)	
Gross profit	8,758	8,759	(1)	0.0	
Other operating income	1,172	1,172	-	0.0	
Distribution and marketing costs	(3,499)	(3,499)	-	0.0	
Administrative expenses	(5,467)	(5,476)	9	(0.2)	
Other operating expenses	(411)	(398)	(13)	3.3	
Other gains and losses	6,317	6,317	-	0.0	
Finance cost	(154)	(154)	-	0.0	
Share of results of associates and joint ventures	(17)	(17)	-	0.0	
Profit before income tax	6,699	6,704		(0.1)	
Income tax expense	5	5	-	0.0	
Profit for the year	6,704	6,709	(5)	(0.1)	
Other comprehensive Income					
<u>Items that may be reclassified subsequently to profit or loss:</u>					
Exchange differences on translation of foreign operations representing total other comprehensive income for the year, net of tax	52	80	(28)	(35.0)	
Total comprehensive income for the year	6,756	6,789	(33)	(0.5)	
Profit attributable to:					
Owners of the Company	6,580	6,585	(5)	(0.1)	
Non-controlling interests	124	124	-	0.0	
	6,704	6,709	(5)	(0.1)	
Total comprehensive income attributable to:					
Owners of the Company	6,661	6,695	(34)	(0.5)	
Non-controlling interests	95	94	` 1 <sup>'</sup>	`1.1	
	6,756	6,789	(33)	(0.5)	

### Statements of Financial Position as at 30 June 2020

	GROUP				
	Revised	As Previously	Difference		
	Reviseu	Reported	Difference		
	30.06.2020	30.06.2020			
	S\$'000	S\$'000	S\$'000		
<u>ASSETS</u>					
Current assets					
Cash and cash equivalents	18,453	18,453	-		
Trade receivables	14,132	14,149	(17)		
Other receivables and prepayments	13,612	13,853	(241)		
Contract assets	8,188	8,188	-		
Inventories	6,462	7,786	(1,324)		
Assets classified as held for sale	- 00.047	-	- (4.500)		
Total current assets	60,847	62,429	(1,582)		
Non-current assets					
Property, plant and equipment	18,447	18,461	(14)		
Right-of-use assets	4,414	4,414	` -		
Goodwill	176	176	-		
Intangible assets	-	-	-		
Investment in associates	3,885	14,932	(11,047)		
Deferred tax assets	320	320	-		
Total non-current assets	27,242	38,303	(11,061)		
Total assets	88,089	100,732	(12,643)		
LIADII ITIES AND EQUITY					
LIABILITIES AND EQUITY Current liabilities					
	1,482	1,482			
Bank borrowings Trade and other payables	20,235	,	(1,050)		
Contract liabilities	6,769	6,519	(1,030)		
Lease liabilities	443	443	-		
Provision for warranty	147	147	_		
Income tax payable	242	222	20		
Liabilities directly associated with					
assets classified as held for sale	-	-	-		
Total current liabilities	29,318	30,098	(780)		
Non-current liabilities					
Total non-current liabilities	9,698	9,698	_		
Total Hon-current liabilities	9,096	9,098			
Capital and reserves and					
non-controlling interests					
Share capital	47,433	47,433	-		
Treasury shares	(1,837)	(1,837)	-		
Foreign currency translation reserve	(89)	(59)	(30)		
General reserve	1,561	1,561	-		
Retained earnings	2,240	14,223	(11,983)		
Equity attributable to owners of the Company	49,308	61,321	(12,013)		
	(005)	(005)	450		
Non-controlling interests	(235)	(385)	150		
Total equity	49,073	60,936	(11,863)		
Total liabilities and equity	88,089	100,732	(12,643)		

# Statements of financial position as at 30 June 2020

	Company				
	Revised As Previously Reported		Difference		
	30.06.2020	30.06.2020			
	S\$'000	S\$'000	S\$'000		
<u>ASSETS</u>					
Current assets					
Total current assets	14,303	14,303	-		
Non-current assets					
Property, plant and equipment	256	256	-		
Investments in subsidiaries	32,910	44,366	(11,456)		
Investment in associates	4,000	15,000	(11,000)		
Total non-current assets	37,166	59,622	(22,456)		
Total assets	51,469	73,925	(22,456)		
LIABILITIES AND EQUITY					
Current liabilities					
Total current liabilities	19,893	19,893	-		
Non-current liabilities					
Total non-current liabilities	-	-	-		
Capital and reserves and non-controlling interests					
Share capital	47,433	47,433	-		
Treasury shares	(1,837)	(1,837)	-		
Retained earnings	(14,020)	8,436	(22,456)		
Equity attributable to owners of the Company	31,576	54,032	(22,456)		
Total equity	31,576	54,032	(22,456)		
Total liabilities and equity	51,469	73,925	(22,456)		

## BY ORDER OF THE BOARD

Dr Wong Kar King Managing Director

28 October 2020