



ADVANCED HOLDINGS LTD

Company Registration No. 200401856N

Condensed Interim Financial Statements or the Six Months ended 30 June 2023

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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.

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Condensed Interim Financial Statements for Six-Months ended 30 June 2023

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

		Group		
		6 months ended		
	Note	30.06.2023	30.06.2022	Increase /
		S\$'000	Restated	(Decrease)
			S\$'000	%
Continuing operations				
Revenue	E4	2,689	9,877	(73)
Cost of sales		(2,528)	(7,944)	(68)
Gross profit		161	1,933	(92)
Other operating income	E6	465	9	N.M
Distribution and marketing costs		(21)	(986)	(98)
Administrative expenses		(1,672)	(1,361)	23
Other operating expenses		-	(130)	N.M
Other gains and losses, net	E7	360	1,212	(70)
Finance cost		(40)	(53)	(25)
Share of results of an associate and a joint venture		(38)	(128)	(70)
(Loss)/Profit before income tax from continuing operations	E8	(785)	496	N.M
Income tax expense	E9	(31)	(17)	82
(Loss)/Profit from continuing operations, net of tax		(816)	479	N.M
Discontinued operations				
Loss from discontinued operations, net of tax	E10	-	(348)	N.M
(Loss)/Profit for the period		(816)	131	N.M
Other comprehensive income				
<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	-	82	292	(72)
Realisation of foreign currency translation differences on disposal of subsidiaries		-	(524)	N.M
Total comprehensive income for the period		(734)	(101)	627
(Loss)Profit attributable to:				
Owners of the Company				
(Loss)/Gain from continuing operations, net of tax		(613)	477	N.M
Loss from discontinued operations, net of tax		-	(347)	N,M
		(613)	130	N.M
Non-controlling interests				
(Loss)/Profit from continuing operations, net of tax		(203)	1	N.M
		(816)	131	N.M
Total comprehensive income attributable to:				
Owners of the Company				
(Loss)/Profit from continuing operations, net of tax		(577)	631	N.M
Loss from discontinued operations, net of tax		-	(730)	N.M
		(577)	(99)	489
Non-controlling interests				
Loss from continuing operations, net of tax		(157)	(2)	N.M
		(734)	(101)	627
Basic and diluted earnings per share attributable to equity owners:				
From continuing operations attributable to equity owners	E11	(0.61)	0.47	N.M
From discontinued operations attributable to equity owners		-	(0.34)	N.M

N.M – Not Meaningful

Condensed Interim Financial Statements for Six-Months ended 30 June 2023

B. Condensed Interim Statements of Financial Position

		Group		Company	
		30.06.2023	31.12.2022	30.06.2023	31.12.2022
ASSETS					
Current assets	Note	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances		32,591	23,067	15,906	7,064
Trade receivables		1,540	1,205	14	-
Other receivables and prepayments		1,441	11,441	534	10,642
Contract assets	E13	-	5	1,143	371
Inventories		176	183	-	-
Total current assets		35,748	35,901	17,597	18,077
Non-current assets					
Property, plant and equipment	E13	5,745	478	418	437
Right-of-use assets		131	-	-	-
Investments in subsidiaries		-	-	25,156	23,720
Investment in an associate		2,001	2,039	2,039	2,039
Investment in a joint venture	E15	-	943	-	1,436
Loan to a joint venture	E15	-	2,246	-	2,246
Loan to a subsidiary	E15	-	-	2,246	-
Total non-current assets		7,877	5,706	29,859	29,878
Total assets		43,625	41,607	47,456	47,955
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	E16	1,140	1,132	625	625
Trade and other payables		1,783	1,316	15,231	15,823
Contract liabilities	E13	178	313	-	-
Lease liabilities		6	-	-	-
Income tax payable		-	95	-	-
Total current liabilities		3,107	2,856	15,856	16,448
Non-current liabilities					
Bank borrowings	E16	1,312	1,884	781	1,094
Lease liabilities		68	-	-	-
Loans from non-controlling interests	E15 E16	2,157	-	-	-
Total non-current liabilities		3,537	1,884	781	1,094
Capital and reserves and non-controlling interests					
Share capital	E17	47,433	47,433	47,433	47,433
Treasury shares	E18	(1,837)	(1,837)	(1,837)	(1,837)
Foreign currency translation reserve		(188)	(224)	-	-
Accumulated losses		(9,194)	(8,581)	(14,777)	(15,183)
Equity attributable to owners of the Company		36,214	36,791	30,819	30,413
Non-controlling interests		767	76	-	-
Total equity		36,981	36,867	30,819	30,413
Total liabilities and equity		43,625	41,607	47,456	47,955

Condensed Interim Financial Statements for Six-Months ended 30 June 2023

C. Condensed Interim Statements of Changes in Equity

Group	Share capital	Treasury shares	Foreign currency translation reserve	General reserve	Accumulated losses	Attributable to equity holders of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2023	47,433	(1,837)	(224)	-	(8,581)	36,791	76	36,867
Loss for the period	-	-	-	-	(613)	(613)	(203)	(816)
Other comprehensive income for the period	-	-	36	-	-	36	46	82
Total comprehensive income for the period	-	-	36	-	(613)	(577)	(157)	(734)
<u>Others</u>								
Deemed control of a new subsidiary	-	-	-	-	-	-	848	848
Balance as at 30 June 2023	47,433	(1,837)	(188)	-	(9,194)	36,214	767	36,981
Balance as at 1 January 2022	47,433	(1,837)	631	1,617	(3,936)	43,908	80	43,988
Profit for the period	-	-	-	-	130	130	1	131
Other comprehensive income for the period	-	-	(229)	-	-	(229)	(3)	(232)
Total comprehensive income for the period	-	-	(229)	-	130	(99)	(2)	(101)
Balance as at 30 June 2022	47,433	(1,837)	402	1,617	(3,806)	43,809	78	43,887

Condensed Interim Financial Statements for Six-Months ended 30 June 2023

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

Company	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance as at 1 January 2023	47,433	(1,837)	(15,183)	30,413
Profit for the period, representing total comprehensive income for the period	-	-	406	406
Balance as at 30 June 2023	47,433	(1,837)	(14,777)	30,819
Balance as at 1 January 2022	47,433	(1,837)	(9,776)	35,820
Loss for the period, representing total comprehensive income for the period	-	-	(110)	(110)
Balance as at 30 June 2022	47,433	(1,837)	(9,886)	35,710

D. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	6 months ended	
	30.06.2023	30.06.2022
	S\$'000	Restated S\$'000
Operating activities		
(Loss)Profit before income tax from continuing operations	(785)	496
Loss before income tax from discontinued operations	-	(321)
(Loss)Profit before income tax	(785)	175
Adjustments for:		
Depreciation of property, plant and equipment	41	345
Depreciation of right-of-use assets	17	140
Property, plant and equipment written off	-	19
Write-back of for expected credit loss on trade receivables and contract assets	(159)	(105)
Loss on deemed disposal of a joint venture (Note E15)	61	-
Share of result of an associate	38	17
Share of result of a joint venture	-	111
Gain on disposal of subsidiaries	-	(1,411)
Interest expense on bank borrowings	33	88
Interest expense on lease liabilities	7	47
Interest income	(457)	(43)
Unrealised exchange (gain/loss)	(29)	63
Operating cash flows before movements in working capital	(1,233)	(554)
<u>(Increase) Decrease:</u>		
Inventories	14	(6,955)
Contract assets	10	(478)
Trade receivables	(324)	(1,873)
Other receivables and prepayments	(643)	(2,598)
<u>Increase (Decrease):</u>		
Contract liabilities	(267)	10,802
Trade and other payables	874	2,410
Cash (used in) from operations	(1,569)	754
Income tax paid	(126)	(28)
Interest received	287	43
Net cash (used in) generated from operating activities	(1,408)	769
Investing activities		
Consideration received from subsidiary disposed in prior year	10,600	-
Net cash outflow arising on disposal of subsidiaries, representing cash and cash equivalent of subsidiaries disposed	-	2,655
Purchase of property, plant and equipment	(1,371)	(477)
Investment in a joint venture	-	(561)
Loans to a joint venture	-	(1,020)
Net cashflow arising from deemed control of a subsidiary (Note E15)	2,179	-
Net cash generated from investing activities	11,408	597

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

	Group	
	6 months ended	
	30.06.2023	30.06.2022
	S\$'000	S\$'000
Financing activities		
Proceeds from bank borrowings	-	225
Repayment of bank borrowings	(597)	(1,300)
Repayment of principal portion of lease liabilities	(18)	(61)
Interest paid	(7)	(128)
Decrease (Increase) in pledged cash and bank balances and fixed deposits	-	(1,474)
Net cash used in from financing activities	(622)	(2,738)
Net increase (decrease) in cash and cash equivalents	9,378	(1,372)
Cash and cash equivalents at beginning of the period/year	23,067	19,553
Effects of exchange rate changes on the balance of cash held in foreign currencies	146	(138)
Cash and cash equivalents at end of the period	32,591	18,043
Cash and cash equivalents for statement of cash flows comprise:		
Cash and bank balances	3,243	18,043
Fixed deposits	29,348	1,983
Cash and cash equivalents	32,591	20,026
Less: Pledged fixed deposits	-	(1,983)
	32,591	18,043

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 21 Woodlands Close #06-23 Primz BizHub, Singapore 737854. 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 2023 (“**1H2023**”) 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 2022 (“**FY2022**”) Annual Report, Notes 14 and 15 respectively.

On 1 January 2023, the Group’s investment in 51% owned company, Advanced Agri Pte Ltd (“**AAPL**”) will be accounted as a subsidiary of the Group. The principal activities of AAPL’s subsidiary, PT Advanced Agri Indonesia (“**PTAAI**”) is that of corn cultivation, corn accumulation and trading, and corn processing in Indonesia.

E2 Basis of preparation

The condensed interim financial statements for 1H2023 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 FY2022.

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

E.2 Basis of preparation (Cont'd)

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 "S\$" 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 2022.

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.

(a) Construction contracts

The Group recognises contract revenue overtime by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is measured by reference to the proportion of total costs incurred at the statement of financial position date compared to management's budgeted total contract cost (the "input method").

Significant assumptions are required for the estimation of each contract's stage of completion, total cost required for completion and assessing the risk of onerous contract. Total contract revenue may include an estimation of the variation works recoverable from the customers to the extent it is probable that the claim on customers will succeed. In making these estimates, management relies on its past experience.

The carrying amounts of the Group's contract assets and contract liabilities are disclosed in Note E13.

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

E.2 Basis of preparation (Cont'd)

(b) Impairment assessment of investment in an associate

The Group assesses whether there are any indicators of impairment for its investment in an associate 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 investment in an associate 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 market value of the land permits held by the associate and adjustments were made for the effects of liabilities, cash and non-operating assets.

The Group engaged professional independent valuers to determine the fair value of the land permits. The fair value is determined using recognised valuation techniques which require the use of estimates such as market comparables, specifications and physical condition of the objects being valued. These estimates are based on market conditions existing at each valuation date.

E3 Seasonal operations

As at the date of report, the Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year. However, when PTAAI commences its main corn processing in Indonesia by the end of FY2023, the Group's business will be subject to the supply of corn which is dependent on the seasonal cultivation of corn in Indonesia.

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, from 1H2023 consist of (i) Engineering Service and Manufacturing ("**ESM**") and (ii) Agri-Technology. The ESM segment consists of customers operating mainly in the Petrochemicals & Chemicals and Oil & Gas industries and 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 Agri-Technology segment accounts for the new source of revenue from the corn processing activities undertaken by PTAAI.

The Group's customers in 1H2023 are primarily based in the PRC, Middle East and Indonesia.

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

E.4 Segment and revenue information (Cont'd)

4.1. Reportable segment

(a) Analysis by business segment

	Engineering Service & Manufacturing		Agri-Technology		Corporate / Unallocated	
	6 months ended		6 months ended		6 months ended	
	30.06.2023	30.06.2022 Restated	30.06.2023	30.06.2022 Restated	30.06.2023	30.06.2022 Restated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Continuing operations</u>						
Revenue	2,239	9,877	450	-	-	-
<u>Segment results</u>						
Segment results	(1,102)	216	(224)	-	162	460
Share of results of an associate and a joint venture	-	-	(38)	(128)	-	-
Interest income	178	-	1	-	278	1
Interest expense	(18)	(32)	(7)	-	(15)	(21)
Loss before income tax	(942)	184	(268)	(128)	425	(440)
Income tax expense	(12)	(17)	-	-	(19)	-
Loss before tax from continuing operations	(954)	167	(268)	(128)	406	(440)
Loss from discontinued operations after tax	-	(348)	-	-	-	-
	(954)	181	(268)	(128)	406	(440)
<u>Assets</u>						
Segment Assets	19,045	12,267	6,110	-	16,469	3,510
Investment in an associate	-	-	2,001	3,591	-	-
Investment in a joint venture	-	-	-	1,071	-	-
Deferred tax assets	-	602	-	-	-	-
	19,045	12,869	8,111	4,662	16,469	3,510
<u>Liabilities</u>						
Segment liabilities	2,505	4,518	2,274	-	1,865	1,784
Current and deferred tax liabilities	-	5	-	-	-	-
	2,505	4,523	2,274	-	1,865	1,784

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

E.4 Segment and revenue information (Cont'd)

4.1. Reportable segment (Cont'd)

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

	Engineering Service & Manufacturing		Agri-Technology		Corporate / Unallocated	
	6 months ended		6 months ended		6 months ended	
	30.06.2023	30.06.2022 Restated	30.06.2023	30.06.2022 Restated	30.06.2023	30.06.2022 Restated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Continuing operations (Cont'd)</u>						
<u>Other information</u>						
Capital additions:- Property, plant and equipment	-	-	1,365	-	6	-
Loss on deemed disposal of a joint venture (Write back)/Allowance for expected credit loss on trade receivables	-	-	61	-	-	-
Gain on disposal subsidiaries	(159)	56	-	-	-	-
Depreciation and amortisation	-	(1,411)	-	-	-	-
	-	91	29	-	27	26
<u>Discontinued operations</u>						
Segment Assets	-	66,843	-	-	-	-
Segment liabilities	-	37,690	-	-	-	-
<u>Other information</u>						
Capital additions:						
- Property, plant and equipment	-	477	-	-	-	-
Depreciation and amortisation	-	368	-	-	-	-

E. Notes to the Condensed Interim Financial Statements (Cont'd)
E.4 Segment and revenue information (Cont'd)
4.1. Reportable segment (Cont'd)
(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.

	Group	
	6 months ended	
	30.06.2023	30.06.2022
	S\$'000	Restated S\$'000
<u>Revenue</u>		
China	1,400	7,566
Middle East	485	741
USA	-	847
Singapore	110	-
Indonesia	450	-
Other Asian Countries	4	424
Other European Countries	240	299
	2,689	9,877

	Group	
	6 months ended	
	30.06.2023	30.06.2022
	S\$'000	Restated S\$'000
<u>Non-current operating assets</u>		
Continuing operations:		
Singapore	2,418	3,423
Indonesia	5,420	-
Others	39	46
	7,877	3,469
Discontinued operations		
China	-	6,974
Singapore	-	1,861
	-	8,835

E. Notes to the Condensed Interim Financial Statements (Cont'd)
E.4 Segment and revenue information (Cont'd)
4.2. Disaggregation of revenue from continuing operations

	Group	
	6 months ended	
	30.06.2023	30.06.2022
	Restated	
	S\$'000	S\$'000
Type of goods or service		
Sales of goods	884	9,132
Contract income	1,740	594
Service income	65	151
	<u>2,689</u>	<u>9,877</u>
Timing of revenue recognition		
At a point in time:		
Sales of goods	884	9,132
Commission income	-	-
	<u>884</u>	<u>9,132</u>
Over time:		
Contract income	1,740	594
Service income	65	151
	<u>1,805</u>	<u>745</u>
	<u>2,689</u>	<u>9,877</u>

E5 Financial assets and liabilities

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

	Group		Company	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at amortised costs:				
- Cash and bank balances and fixed deposits	32,591	23,067	15,906	7,064
- Trade receivables	1,540	1,205	14	-
- Other receivables	1,441	10,729	534	10,620
- Loans to a joint venture	-	2,246	-	2,246
	<u>35,572</u>	<u>37,247</u>	<u>16,454</u>	<u>19,930</u>
Financial liabilities				
Financial liabilities at amortised cost:				
- Trade and other payables	1,783	1,316	15,231	15,823
- Bank borrowings	2,452	3,016	1,406	1,719
- Loans from non-controlling interests	2,157	-	-	-
	<u>6,392</u>	<u>4,332</u>	<u>16,637</u>	<u>17,542</u>

E. Notes to the Condensed Interim Financial Statements (Cont'd)
E6 Other operating income from continuing operations

	Group	
	6 months ended	
	30.06.2023	30.06.2022
	\$'000	\$'000
Interest income from fixed deposits	457	1
Sundry income	8	8
	<u>465</u>	<u>9</u>

E7 Other (gains) and losses from continuing operations

	Group	
	6 months ended	
	30.06.2023	30.06.2022
	\$'000	\$'000
Write-back of credit loss	(159)	(105)
Property, plant and equipment written off	-	19
Gain on disposal of subsidiaries	-	(1,411)
Loss on deemed disposal of a joint venture (Note E15)	61	-
Foreign exchange (gain) loss, net	(262)	285
	<u>(360)</u>	<u>(1,212)</u>

E8 Loss before income tax from continuing operations
8.1 Significant items

	Group	
	6 months ended	
	30.06.2023	30.06.2022
	\$'000	\$'000
Depreciation of property, plant and equipment	41	77
Depreciation of right-of-use assets	17	40
Amortisation of intangible assets	-	(2)
Interest expenses on bank borrowings	33	47
Interest on lease liabilities	7	7
Interest income	(457)	(1)
Write-back of expected credit loss on trade receivables and contract assets	(159)	(105)
Loss on deemed disposal of a joint venture (Note E15)	61	-
Property, plant and equipment written off	-	19
Gain on disposal subsidiaries	-	(1,411)
Foreign exchange (gain)loss, net	(262)	285
Research and development expenses	-	122
Employees benefit expense (including directors)	1,116	1,334
Defined contribution plans (including directors)	20	48

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

E.8 Loss before income tax from continuing operations (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:

	Group	
	6 months ended	
	30.06.2023	30.06.2022
	\$'000	\$'000
Management fee income received/receivable from subsidiaries	1,143	1,126

E9 Income tax expense

	Group	
	6 months ended	
	30.06.2023	30.06.2022
	\$'000	Restated \$'000
Continuing operations:		
Income tax:		
- Current year	4	17
- Underprovision in prior years	19	-
	23	17
Deferred tax	-	-
Withholding tax	8	-
	31	17
Discontinued operations:		
Income tax attributable to discontinued operations	-	27
Income tax expense	31	44

E. Notes to the Condensed Interim Financial Statements (Cont'd)
E10 Loss from discontinued operations, net of tax

During the second half year of FY2022, the Group had completed the disposal of Advanced CAE Pte Ltd. and its subsidiary Advanced CAE Inc (“**CAE SG Group**”), and Advanced CAE Ltd (“**CAE CN**”). These disposals met the criteria for the classification as discontinued operations. Accordingly, the result of operations for the six months period ended 30 June 2022 (1H2022) was presented separately on the statement of profit and loss as “loss from discontinued operations, net of tax”.

The results of the discontinued operations for 1H2022 are as follows:

	6 months ended 30.06.2022 S\$'000
Revenue	9,266
Cost of sales	<u>(7,747)</u>
Gross profit	1,519
Other operating income	322
Distribution and marketing costs	(810)
Administrative expenses	(1,406)
Other operating expenses	(15)
Other gains and losses, net	151
Finance cost	<u>(82)</u>
Loss from discontinued operations	(321)
Income tax expense	(27)
(Loss)Profit from discontinued operations, net of tax	<u>(348)</u>

Loss from discontinued operations is arrived at after charging/(crediting):

	6 months ended 30.06.2022 S\$'000
Depreciation of property, plant and equipment	268
Depreciation of right-of-use assets	100
Amortisation of intangible assets	2
Interest expenses on bank borrowings	41
Interest on lease liabilities	40
Interest income	(42)
Foreign exchange gain	(152)
Research and development expenses	7
Employees benefit expense (including directors)	1,518
Defined contribution plans (including directors)	<u>141</u>

Condensed Interim Financial Statements for Six-Months ended 30 June 2023

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

E11 (Losses)Earnings per share

	Group	
	6 months ended	
	30.06.2023	30.06.2022
	Cents	Cents
Losses per share for period based on net loss/profit attributable to owners of the Company:		
Basic & diluted earnings per share attributable to equity owners	(0.61)	0.13
Continuing operations		
(i) Based on weighted average number of ordinary	(0.61)	0.47
(ii) On a fully diluted basis	(0.61)	0.47
Discontinued operations		
(i) Based on weighted average number of ordinary	-	(0.34)
(ii) On a fully diluted basis	-	(0.34)

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 2022: 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 2023 and 30 June 2022

E12 Net assets value

	Group		Company	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at end of the period	35.76	36.33	30.43	30.03

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 2023 (31 December 2022: 101,268,367)

E13 Contract assets and liabilities

	Group		Company	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	\$'000	\$'000	\$'000	\$'000
<u>Contracts assets</u>				
Accrued revenue	-	5	1,143	371
<u>Contracts liabilities</u>				
Amounts related to construction contracts	178	313	-	-

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

E14 Property, plant and equipment

During 1H2023, the Group acquired assets amounting to approximately \$1,371,000 (1H2022: S\$477,000). The newly acquired relates mainly to the construction of the corn processing facility in Indonesia by PTAAI. In both 1H2023 and 1H2022, the Group did not dispose any assets.

E15 Deemed disposal of joint venture as at 1 January 2023

As disclosed in the Company's FY2022 Annual Report, on 1st January 2023, the Group is deemed to have control of its joint venture, namely AAPL and its subsidiary PTAAI ("**AAPL Group**"). Accordingly, the Group is deemed to dispose of its joint venture on 1 January 2023.

The identifiable net assets of AAPL Group as at 1 January 2023 were as follows:

	1-Jan-23 S\$'000
Assets	
Cash and bank balances	2,179
Other receivables and prepayments	182
Total current assets	<u>2,361</u>
Property, plant and equipment	3,739
Right-of-use assets	90
Total non-current assets	<u>3,829</u>
Total assets	<u>6,190</u>
Liabilities	
Trade and other payables	20
Lease liabilities	6
Total current liabilities	<u>26</u>
Lease liabilities	31
Long term loan payables	4,403
Total non-current liabilities	<u>4,434</u>
Total liabilities	<u>4,460</u>
Net Assets	<u><u>1,730</u></u>
Fair value based on 51% shareholdings	882
Non-controlling interests on 1 January 2023	<u><u>848</u></u>

The effect of the deemed disposal of the joint venture was as follows:

(a) Loss on deemed disposal:

Carrying amount of the joint venture	943
Fair value of the previously held equity interest in joint venture	<u>882</u>
Loss on deemed disposal of the joint venture	<u><u>(61)</u></u>

(b) Loans by the Company to the joint venture of S\$2,246,000 were reclassified as loans to a subsidiary and eliminated at the Group level.

(c) Long term loan payable by the joint venture to the non-controlling interests of S\$2,157,000 (49% of S\$4,403,000) will be reported at the Group's level.

E. Notes to the Condensed Interim Financial Statements (Cont'd)
E16 Borrowings

	30.06.2023		31.12.2022	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand:				
- Bank borrowings	1,140	-	1,132	-
Amount repayable after one year:				
- Bank borrowings	1,312	-	1,884	-
- Loans from non-controlling interests	-	2,157	-	-
	1,312	2,157	1,884	-
	2,452	2,157	3,016	-

Bank borrowings as at 30 June 2023 comprised the following:

- a long-term loan secured by a corporate guarantee issued by the Company; and
- a long-term loan secured by a corporate guarantee issued by a subsidiary.

Loans from non-controlling interest to AAPL are unsecured and non-interest bearing for an initial period of two years. Before the expiry of the two years period, the Company and the other shareholders of AAPL will agree on the extension or repayment of these loans including the interest charges on these loans.

E17 Share capital

<u>Issued Ordinary Shares</u>	No. of Shares	
	30.06.2023	31.12.2022
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	101,268,367	101,268,367

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 2023, 31 December 2022 and 30 June 2022.

There were no subsidiary holdings held as at 30 June 2023, 31 December 2022 and 30 June 2022.

E18 Treasury shares

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

	Group and Company			
	30.06.2023		31.12.2022	
	No. of shares	\$'000	No. of shares	\$'000
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

F.1 Review

The condensed consolidated interim statement of financial position of Advanced Holdings Ltd. and its subsidiaries as at 30 June 2023 and the related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditor.

F.2 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

F.3 Review of performance of the Group

Income statement

Six-months ended 30 June 2023 ("1H2023") as compared to six-months ended 30 June 2022 ("1H2022")

Continuing operations:

The Group recorded a revenue of S\$2.7 million from its continuing operations in 1H2023, representing a decrease by about S\$7.2 million or 73% as compared to 1H2022. The decline in revenue from continuing operations was primarily due to the disposal of two subsidiaries, Analytical Technology & Control Limited ("ATAC") and Guided Wave Inc. ("GWI"), of the Group during the first quarter of 2022 which contributed revenue of about S\$1.6 million in 1H2022, a reduction in the trading activities by the Group by about S\$5 million and partially offset by about S\$0.5 million in revenue from the trading of corns by PTAAI in 1H2023.

The trading revenue recorded in 1H2023 was from orders previously secured by the sales team in CAE CN and the execution of these orders was managed by the operation team in CAE CN. Thus, following the disposal of CAE CN, the Group did not bring in further new orders.

The decline in the gross profit margin from 20% in 1H2022 to 6% in 1H2023 was primarily due to the lower gross margin from the trading transactions as compared to the gross margin previously made by ATAC and GWI in 2022.

Other operating income increased by S\$0.5 million largely due to interest income on fixed deposits placed with OCBC upon the receipt of the cash considerations on the disposal of CAE SG Group and CAECN.

Distribution and marketing expenses declined by about 98% to S\$21,000 in 1H2023 as the Group did not actively engage in marketing activities in 1H2023 (which were previously carried by the disposed subsidiaries).

Administrative expenses increased by about S\$0.3 million, from S\$1.4 million in 1H2022 to S\$1.7 million in 1H2023. The increase represents the salary costs of management staff that were previously accounted for as distribution and marketing expenses in 1H2022 and in the absence of such marketing activities in 1HY2023, these salaries cost were recorded as administrative expense in 1HY2023.

No other operating expenses were recorded in 1H2023 as compared to S\$130,000 of research and development expenses incurred by ATAC and GWI in 1H2022.

F. Other Information (Cont'd)

F.3 Review of performance of the Group (Cont'd)

The breakdown on the other gains and losses can be found in Note E7. The Group recorded a gain from the disposal of its subsidiaries of S\$1.4 million, recovered certain debt previously recognised as being doubtful of about S\$0.1 million and were partially offset by a loss in foreign currency exchange of S\$0.3 million. In 1H2023, the Group recovered a debt of about S\$0.2 million from a customer from the Middle East, recorded foreign exchange gain of S\$0.3 million and were partially offset by the loss of S\$61,000 arising from the disposal of the previously held equity interest in the joint venture (AAPL) of the Group on 1 January 2023 which subsequently became a subsidiary of the Group, as explained in Note E15 to the condensed interim consolidated financial statements above.

Share of results of an associate and a joint venture in 1H2023 relates to the investment in Agricore Global Pte Ltd (“**Agricore**”) and our 12.25% share of Agricore losses for 1HY2023.

The Group closed 1H2023 with losses from continuing operations of about S\$0.8 million as compared a profit of S\$0.5 million in 1H2022. The loss situation is primarily due to the reduced revenue and gross profit.

Geographically, as disclosed in Notes E4.1(b) to the condensed interim consolidated financial statements, the Group’s customers in 1H2023 are primarily based in China, Middle East and Indonesia.

Discontinued operations:

The breakdown of the net loss from the discontinued operations i.e. from businesses generated by CAE SG Group and CAE CN was presented in Note E10. Loss from discontinued operations in 1H2022 amounted to S\$0.3 million.

Statement of Financial Position

The Group’s financial position as at 30 June 2023 remains healthy with a strong net working capital of S\$32.6 million as compared to S\$33.0 million as at 31 December 2022.

The Group’s total assets increased by approximately S\$2 million, from S\$41.6 million as at 31 December 2022 to S\$43.6 million as at 30 June 2023. The Group’s current assets as at 30 June 2023 stood at S\$35.7 million, which accounted for 82% of the Group’s total assets and represents a decrease of S\$0.2 million from S\$35.9 million as at 31 December 2022. During 1H2023, the Company received cash consideration of S\$10.6 million for the disposal of CAE CN, a reduction in other receivables and increased the Group’s cash balance by the same amount, The Group’s cash balance was further increased by the net cash inflow of S\$2.2 million from the consolidation of AAPL Group and was partially used to fund the operating activities of S\$1.4 million and capital expenditure of PTAAI of about S\$1.4 million.

The Group’s non-current assets consist mainly of property, plant and equipment, right-of-use assets and investment in an associate. The increase in the non-current assets by S\$2.2 million from S\$5.7 million as at 31 December 2022 to S\$7.9 million as at 30 June 2023 was primarily due to the consolidation of AAPL Group which resulted in an increase of property, plant and equipment of S\$3.9 million and right-of-use assets of S\$0.1 million and reduction in the investment in a joint venture of S\$0.9 million and loan to a joint venture of S\$2.2 million, which collectively increased the Group’s non-current assets by S\$0.7 million on 1 January 2023. PTAAI’s construction of the corn processing facility further increased the Group’s property, plant and equipment by S\$1.4 million by the end of 1H2023.

The Group’s total liabilities increased by S\$1.9 million and stood at S\$6.6 million as at 30 June 2023; current liabilities amounted to S\$3.1 million or 47% (as compared to 60% as at 31 December 2022) of the Group’s total liabilities. The increase in total liabilities was mainly resulted from the consolidation of AAPL’s Group and included loans by the non-controlling interest of AAPL of S\$2.2 million as at 30 June 2023. The payments to the banks reduced the Group’s total borrowing by S\$0.6 million as at 30 June 2023.

F. Other Information (Cont'd)

F.3 Review of performance of the Group (Cont'd)

Statement of Cash Flows

The Group's cash and cash equivalents increased by approximately S\$9.5 million (after adjusted for the foreign exchange rate changes on the balance of cash held in foreign currencies), from S\$23.1 million as at 31 December 2022 to S\$32.6 million as at 30 June 2023.

The Group recorded net cash used in operating activities of S\$1.4 million in 1H2023 mainly due to losses recognised in 1H2023 and cash outflow from changes in working capital.

Net cash generated from investing activities amounted to S\$11.4 million in 1H2023 as compared to S\$0.6 million in 1H2022. In 1H2023, the Group received cash consideration of S\$10.6 million from the disposal of CAE CN, recognised a net cash inflow of S\$2.2 million as we consolidate AAPL Group from 1 January 2023 and partially offset by capital expenditure of S\$1.4 million for the construction of the PTAAI's corn processing facility during 1H2023.

Net cash used in financing activities amounted to S\$0.6 million in 1H2023 primarily due to the routine repayment of the bank borrowings.

F.4 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results reported herein are in line with the announcement made by the Company on 4 August 2023.

F.5 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.

The Group remains focused to complete the construction of the corn processing facility in Sulawesi, Indonesia. Barring any unforeseen circumstances, the facility will be operational before the end of the year and commence to grow the Agri-tech business segment thereafter.

F. Other Information (Cont'd)

F.6 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 corresponding period of immediately preceding financial year? 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 1H2023 as the Group has incurred losses for 1H2023.

F.7 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 1H2023.

F.8 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.

F.9 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 2023 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

F. Other Information (Cont'd)

F.10 Disclosure on acquisition (including incorporations) and realisation pursuant to Rule 706A of the Catalist Rules.

Save for the deemed control of AAPL as a subsidiary on 1 January 2023 as disclosed in the Company's FY2022 Annual Report, there were no 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 1H2023.

BY ORDER OF THE BOARD

Dr Wong Kar King
Managing Director
10 August 2023