



ADVANCED HOLDINGS LTD

Company Registration No. 200401856N

Condensed Interim Financial Statements for the Financial Year ended 31 December 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.

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Condensed Interim Financial Statements for Financial Year ended 31 December 2022

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

	Note	Group			Group		
		6 months ended			12 months ended		
		31.12.2022	31.12.2021	Increase /	31.12.2022	31.12.2021	Increase /
		Restated	(Decrease)		Restated	(Decrease)	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operations							
Revenue	E4	3,397	6,461	(47)	13,274	10,146	31
Cost of sales		(2,815)	(4,968)	(43)	(10,759)	(6,264)	72
Gross profit		582	1,493	(61)	2,515	3,882	(35)
Other operating income	E6	140	46	204	149	140	6
Distribution and marketing costs		589	(1,095)	N.M	(397)	(2,499)	(84)
Administrative expenses		(1,016)	(1,720)	(41)	(2,381)	(3,418)	(30)
Other operating expenses		9	(414)	N.M	(121)	(837)	(86)
Other gains and losses, net	E7	(2,605)	(1,294)	101	(1,393)	(1,087)	28
Finance cost		(40)	(78)	(49)	(93)	(134)	(31)
Share of results of an associate and a joint venture		224	(107)	N.M	96	(121)	N.M
Loss before income tax from continuing operations	E8	(2,117)	(3,169)	(33)	(1,625)	(4,074)	(60)
Income tax (expense)credit	E9	(4)	46	N.M	(21)	(37)	(43)
Loss from continuing operations, net of tax		(2,121)	(3,123)	(32)	(1,646)	(4,111)	(60)
Discontinued operations							
(Loss)Profit from discontinued operations, net of tax	E10	(4,267)	1,368	N.M	(4,615)	1,776	N.M
Loss for the period/year		(6,388)	(1,755)	264	(6,261)	(2,335)	168
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/year, net of tax		(466)	240	N.M	(174)	288	N.M
Realisation of foreign currency translation differences on disposal of subsidiaries		(163)	-	N.M	(686)	-	N.M
Total comprehensive income for the period/year		(7,017)	(1,515)	363	(7,121)	(2,047)	248

N.M – Not Meaningful

Condensed Interim Financial Statements for Financial Year ended 31 December 2022

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Cont'd)

		Group			Group		
		6 months ended			12 months ended		
	Note	31.12.2022 S\$'000	31.12.2021 Restated S\$'000	Increase / (Decrease) %	31.12.2022 S\$'000	31.12.2021 Restated S\$'000	Increase / (Decrease) %
(Loss)Profit attributable to:							
Owners of the Company							
Loss from continuing operations, net of tax		(2,121)	(3,125)	(32)	(1,647)	(4,115)	(60)
(Loss)Profit from discontinued operations, net of tax		(4,267)	1,368	N.M	(4,615)	1,776	N.M
		(6,388)	(1,757)	264	(6,262)	(2,339)	168
Non-controlling interests							
Profit from continuing operations, net of tax		-	2	N.M	1	4	(75)
		(6,388)	(1,755)	264	(6,261)	(2,335)	168
Total comprehensive income attributable to:							
Owners of the Company							
Loss from continuing operations, net of tax		(2,445)	(3,139)	(22)	(1,816)	(4,443)	(59)
(Loss)Profit from discontinued operations, net of tax		(4,571)	1,624	N.M	(5,301)	2,398	N.M
		(7,016)	(1,515)	363	(7,117)	(2,045)	248
Non-controlling interests							
Loss from continuing operations, net of tax		(1)	-	N.M	(4)	(2)	100
		(7,017)	(1,515)	363	(7,121)	(2,047)	248
(Losses)/earnings per share (cents)							
From continuing operations attributable to equity owners							
Basic and diluted	E11	(2.09)	(3.09)	(32)	(1.62)	(4.06)	(60)
From discontinued operations attributable to equity owners							
Basic and diluted	E11	(4.21)	1.35	N.M	(4.56)	1.75	N.M

N.M – Not Meaningful

B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		31.12.2022 S\$'000	31.12.2021 S\$'000	31.12.2022 S\$'000	31.12.2021 S\$'000
ASSETS					
Current assets					
Cash and bank balances		23,067	19,245	7,064	1,941
Trade receivables		1,205	9,036	-	-
Other receivables and prepayments		11,441	2,850	10,642	5,259
Contract assets	E13	5	6,130	371	525
Inventories		183	10,782	-	-
Assets classified as held for sale	E14	-	4,470	-	-
Total current assets		35,901	52,513	18,077	7,725
Non-current assets					
Property, plant and equipment	E15	478	18,149	437	487
Right-of-use assets		-	3,001	-	-
Investments in subsidiaries		-	-	23,720	37,391
Investment in an associate		2,039	3,787	2,039	3,787
Investment in a joint venture		943	426	1,436	510
Loan to a joint venture		2,246	-	2,246	-
Deferred tax assets		-	609	-	-
Total non-current assets		5,706	25,972	29,878	42,175
Total assets		41,607	78,485	47,955	49,900
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	E16	1,132	2,151	625	625
Trade and other payables		1,315	8,765	15,823	11,736
Contract liabilities	E13	313	12,227	-	-
Lease liabilities		-	51	-	-
Provision for warranty		-	20	-	-
Income tax payable		95	232	-	-
Liabilities directly associated with assets classified as held for sale	E14	-	2,463	-	-
Total current liabilities		2,855	25,909	16,448	12,361
Non-current liabilities					
Bank borrowings	E16	1,884	6,116	1,094	1,719
Lease liabilities		-	2,467	-	-
Deferred tax liabilities		-	5	-	-
Total non-current liabilities		1,884	8,588	1,094	1,719
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		(225)	631	-	-
General reserve		691	1,617	-	-
Accumulated losses		(9,271)	(3,936)	(15,183)	(9,776)
Equity attributable to owners of the Company		36,791	43,908	30,413	35,820
Non-controlling interests		77	80	-	-
Total equity		36,868	43,988	30,413	35,820
Total liabilities and equity		41,607	78,485	47,955	49,900

Condensed Interim Financial Statements for Financial Year ended 31 December 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
Balance as at 1 January 2022	47,433	(1,837)	631	1,617	(3,936)	43,908	80	43,988
<u>Total comprehensive income for the year</u>								
(Loss)Profit for the year	-	-	-	-	(6,261)	(6,261)	1	(6,260)
Other comprehensive income for the year	-	-	(856)	-	-	(856)	(4)	(860)
Total	47,433	(1,837)	(225)	1,617	(10,197)	36,791	77	36,868
<u>Others</u>								
Disposal of subsidiaries	-	-	-	(926)	926	-	-	-
Balance as at 31 December 2022	47,433	(1,837)	(225)	691	(9,271)	36,791	77	36,868
Balance as at 1 January 2021	47,433	(1,837)	337	1,561	(1,539)	45,955	85	46,040
<u>Total comprehensive income for the year</u>								
(Loss)Profit for the year	-	-	-	-	(2,339)	(2,339)	4	(2,335)
Other comprehensive income for the year	-	-	294	-	-	294	(6)	288
Total	47,433	(1,837)	631	1,561	(3,878)	43,910	83	43,993
<u>Others</u>								
Appropriation to general reserve	-	-	-	56	(56)	-	-	-
Acquisition of non-controlling interest	-	-	-	-	(2)	(2)	(3)	(5)
Balance as at 31 December 2021	47,433	(1,837)	631	1,617	(3,936)	43,908	80	43,988

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 2022	47,433	(1,837)	(9,776)	35,820
Loss for the year, representing total comprehensive income for the year	-	-	(5,407)	(5,407)
Balance as at 31 December 2022	47,433	(1,837)	(15,183)	30,413
Balance as at 1 January 2021	47,433	(1,837)	(9,229)	36,367
Loss for the year, representing total comprehensive income for the year	-	-	(547)	(547)
Balance as at 31 December 2021	47,433	(1,837)	(9,776)	35,820

D. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	12 months ended	
	31.12.2022	31.12.2021
	S\$'000	Restated S\$'000
Operating activities		
Loss before income tax from continuing operations	(1,625)	(4,074)
(Loss)Profit before income tax from discontinued operations	(4,520)	1,623
Loss before income tax	(6,145)	(2,451)
Adjustments for:		
Depreciation of property, plant and equipment	750	704
Depreciation of right-of-use assets	182	437
Allowance for inventories obsolescence	-	94
Inventories written off	-	2
Property, plant and equipment written off	59	-
Allowance for expected credit losses on trade receivables and contract assets	427	159
Gain on modification of lease	-	(1)
(Gain)Loss on disposal of property, plant and equipment and right-of-use assets	(2,013)	20
Write down on remeasurement of disposal group classified as held for sale	-	534
Impairment loss on goodwill	-	176
Impairment loss on right-of-use assets	-	639
Impairment loss on property, plant and equipment	-	66
Impairment loss on investment in an associate	2,155	108
Share of result of an associate	(407)	37
Share of result of a joint venture	311	84
Provision for modification of existing products	-	1,689
Provision (Write-back of provision) for warranty	169	(61)
Loss on disposal of subsidiaries (Note A)	3,481	-
Interest expense on bank borrowings	221	215
Interest expense on lease liabilities	73	106
Interest income	(176)	(75)
Unrealised exchange loss(gain)	79	(52)
Operating cash flows before movements in working capital	(834)	2,430
<u>(Increase) Decrease:</u>		
Inventories	(603)	(5,927)
Contract assets	3,253	(2,520)
Trade receivables	(3,079)	2,291
Other receivables and prepayments	(6,061)	(544)
<u>Increase (Decrease):</u>		
Contract liabilities	9,351	3,892
Trade and other payables	759	819
Utilisation of provision of warranty	-	(16)
Cash generated from operations	2,786	425
Income tax paid	(11)	(365)
Interest paid	(294)	(300)
Interest received	115	75
Net cash generated from (used in) from operating activities	2,596	(165)

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

	GROUP	
	12 months ended	
	31.12.2022	31.12.2021
	S\$'000	Restated S\$'000
Investing activities		
Proceeds from disposal of property, plant and equipment and right-of use assets	13,224	204
Net cash outflow arising on disposal of subsidiaries, representing cash and cash equivalent of subsidiaries disposed (Note A)	(2,612)	-
Purchase of property, plant and equipment	(1,551)	(4,898)
Investment in a joint venture	(561)	(510)
Deferred payment for an investment in an associate	-	(5,000)
Loan to a joint venture	(2,550)	-
Net cash generated from (used in) investing activities	5,950	(10,204)
Financing activities		
Acquisition of non-controlling interest of a subsidiary	-	(5)
Proceeds from bank borrowings	603	-
Repayment of bank borrowings	(5,855)	(1,439)
Repayment of principal portion of lease liabilities	(79)	(394)
Decrease (Increase) in pledged fixed deposits	515	(24)
Net cash used in financing activities	(4,816)	(1,862)
Net increase (decrease) in cash and cash equivalents	3,730	(12,231)
Cash and cash equivalents at beginning of the year	19,553	31,065
Effects of exchange rate changes on the balance of cash held in foreign currencies	(216)	719
Cash and cash equivalents at end of the year	23,067	19,553
Cash and cash equivalents for statement of cash flows comprise:		
Cash and bank balances	15,515	19,553
Fixed deposits	7,552	515
Cash and cash equivalents	23,067	20,068
Less: Pledged fixed deposits	-	(515)
	23,067	19,553

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

During FY2022, the Group disposed four subsidiaries as follows:

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

On 25 February 2022, the Group disposed of 100% equity interest in ATAC. All the assets of the ATAC were written down to recoverable amounts and presented as "Assets classified as held for sale" and the liabilities of ATAC were presented as "Liabilities directly associated with assets classified as held for sale"(Note E14) as at 31 December 2021.

The effects of the disposal of ATAC are as follows:

	S\$'000
Current assets	
Cash and cash equivalents	61
Trade receivables	259
Other receivables and prepayments	115
Inventories	152
Total current assets	587
Current liabilities	
Bank borrowings	17
Trade and other payables	272
Provision for warranty	1
Total current liabilities	290
Non-current liabilities	
Bank borrowings	63
Total non-current liabilities	63
Net assets derecognised	234
Loss on disposal of a subsidiary	
Total consideration received	0*
Net assets derecognised	(234)
Realisation of foreign currency translation differences	(155)
Loss on disposal	(389)
Cash flow effect	
Total consideration received	0*
Less: Cash and cash equivalents in a subsidiary disposed	(61)
Net cash outflow arising on disposal, representing cash and cash equivalent of ATAC disposed	(61)

*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 interest in GWI. The assets of the GWI were presented as "Assets classified as held for sale" and the liabilities of GWI were presented as "Liabilities directly associated with assets classified as held for sale"(Note E14) as at 31 December 2021.

The effects of the disposal of GWI are as follows:

Current assets	S\$'000
Cash and cash equivalents	1,140
Trade receivables	801
Other receivables and prepayments	117
Inventories	1,566
Total current assets	3,624
Non-current assets	
Property, plant and equipment	16
Right-of-use asset	1,005
Total non-current assets	1,021
Current liabilities	
Trade and other payables	1,333
Provision for warranty	48
Lease liabilities	208
Total current liabilities	1,589
Non-current liabilities	
Lease liabilities	821
Deferred income tax liabilities	24
Total non-current liabilities	845
Net assets derecognised	2,211
Gain on disposal of a subsidiary	
Total consideration received	3,856
Net assets derecognised	(2,211)
Realisation of foreign currency translation differences	(36)
Gain on disposal	1,609
Cash flow effect	
Total consideration received	3,856
Less: Cash and cash equivalents in a subsidiary disposed	(1,140)
Net cash inflow arising on disposal, representing cash and cash equivalent of GWI disposed	2,716

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

Note A : Disposals of subsidiaries (Cont'd)

c) Disposal of Advanced CAE Pte Ltd. and Advanced CAE Inc. ("CAE SG Group")

On 1 December 2022, the Group disposed of 100% equity interest in CAE SG and its wholly owned subsidiary, Advanced CAE Inc. The effects of the disposal of CAE SG Group are as follows:

Current assets	S\$'000
Cash and cash equivalents	4,253
Trade receivables	5,980
Other receivables and prepayments	1,565
Contract assets	2,107
Inventories	1,727
Total current assets	15,632
Non-current assets	
Property, plant and equipment	21
Total non-current assets	21
Current liabilities	
Trade and other payables	2,267
Contract liabilities	9,886
Provision for warranty	189
Income tax payable	6
Total current liabilities	12,348
Net assets derecognised	3,305
Loss on disposal of subsidiaries	
Total consideration received	3,200
Net assets derecognised	(3,305)
Realisation of foreign currency translation differences	(5)
Loss on disposal	(110)
Cash flow effect	
Total consideration received	3,200
Less: Cash and cash equivalents in subsidiaries disposed	(4,253)
Net cash outflow arising on disposal, representing cash and cash equivalent of CAE SG Group disposed	(1,053)

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

d) Disposal of Advanced CAE Ltd. ("CAE CN")

On 31 October 2022, the Group entered into a conditional sale and purchase ("S&P") agreement with a third party to dispose of its entire equity interests in CAE CN. On 14 December 2022, upon the fulfilment of material conditions in the S&P agreement and transfer of legal ownership, the Group assessed that it lost control over CAE CN. As a result, the Group derecognised the assets and liabilities as at 14 December 2022 and consolidated the results of CAE CN from 1 January 2022 to 14 December 2022.

Subsequent to the financial year-end, on 9 January 2023, the Group received the disposal consideration from the third party.

The effects of the disposal of CAE CN are as follows:

	S\$'000
Current assets	
Cash and cash equivalents	4,214
Trade receivables	4,150
Other receivables and prepayments	6,288
Contract assets	739
Inventories	8,789
Total current assets	24,180
Non-current assets	
Property, plant and equipment	5,958
Right-of-use assets	1,046
Deferred tax assets	423
Total non-current assets	7,427
Current liabilities	
Trade and other payables	5,488
Contract liabilities	11,368
Income tax payable	50
Total current liabilities	16,906
Net assets derecognised	14,701
Loss on disposal of a subsidiary	
Total consideration receivable (included in other receivables)	10,600
Net assets derecognised	(14,701)
Realisation of foreign currency translation differences	(490)
Loss on disposal	(4,591)
Cash flow effect	
Total consideration received as at 31 December 2022	-
Less: Cash and cash equivalents in a subsidiary disposed	(4,214)
Net cash outflow arising on disposal, representing cash and cash equivalent of CAE CN disposed	(4,214)

Condensed Interim Financial Statements for Financial Year ended 31 December 2022

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

Note A : Disposals of subsidiaries (Cont'd)

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

	ATAC	GWI	Total
	S\$'000	S\$'000	S\$'000
(Loss)Gain on disposal of subsidiaries (note E.8.1)	(389)	1,609	1,220
Net cash (outflow) inflow arising on disposals	(61)	2,716	2,655

Summary of the cashflow effect of the the disposal of CAE SG Group and CAE CN to the Group's cashflow is as follows:

	CAE SG Group	CAE CN	Total
	S\$'000	S\$'000	S\$'000
Loss on disposal of subsidiaries from discontinued operations	(110)	(4,591)	(4,701)
Net cash outflow arising on disposals	(1,053)	(4,214)	(5,267)

The cashflows attributable to the discontinued operations for the financial year ended 31 December are as follows:

	Discontinued Operations	
	12 months ended	
	31.12.2022	31.12.2021
	Generated from (Used in)	Generated from (Used in)
	S\$'000	S\$'000
Operating cashflows	(7,338)	3,568
Investing cashflows	14,883	(5,376)
Financing cashflows	(8,651)	(1,162)

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 full year ended 31 December 2022 (“**FY2022**”) 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.

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

During the financial year, the Group disposed two major subsidiaries, CAE SG Group and CAE CN to a third party and presented their results as discontinued operations (Note E10). Other than as stated, there are no significant changes in the nature of these activities during the financial year

E2 Basis of preparation

The condensed interim financial statements for FY2022 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 condensed consolidated financial statements for the six-months ended 30 June 2022.

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)

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.

Impairment testing on investment in an associate

Management carried out a review of the recoverable amount of the investment in Agricore Global Pte Ltd ("Agricore") in consideration of Agricore's net liabilities position as at the statement of financial position date. There was no material change in Agricore's operations during the year.

The recoverable amount of the investment in Agricore was determined based on its fair value less cost of disposal. The fair value less costs of disposal was based on market value of the land permits held by Agricore and adjustments made for the effects of liabilities, cash and non-operating assets. The Group engaged Muttaqin Bambang Purwanto Rozak Uswatun & Partners, an independent Indonesian professional valuer to determine the fair value of the land permits.

Impairment testing on investment in an associate (cont'd)

The valuation techniques and key assumptions were summarised below:

Description	Fair value hierarchy	Valuation technique	Key assumptions
Land permits	Level 3	Market data comparison approach	Include consideration of: <ul style="list-style-type: none"> • Change of regulations in Indonesia • Actual transaction prices of similar assets • Price and discount offer • Ownership rights • Specifications and physical condition of the objects being valued

Based on the assessment of the recoverable amount for the investment in Agricore, impairment loss of \$2,155,000 was recognised in the statement of comprehensive income.

E Notes to the Condensed Interim Financial Statements (Cont'd)
E3 Seasonal operations

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

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 customers in FY2022, following the disposal of ATAC, GWI, CAE SG Group and CAE CN, are primarily based in the PRC and Middle East.

4.1. Reportable segment
(a) Analysis by business segment

	Engineering Service & Manufacturing			
	6 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Restated		Restated	
<u>Continuing operations</u>	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	3,397	6,461	13,274	10,146
<u>Segment results</u>				
Segment results	1,313	(1,098)	2,018	(801)
Share of results of an associate and a joint venture	224	(107)	96	(121)
Interest income	116	(1)	117	-
Interest expense	(39)	(55)	(86)	(109)
Unallocated expenses	(3,732)	(1,908)	(3,770)	(3,043)
Loss before income tax from continuing operations	(2,118)	(3,169)	(1,625)	(4,074)
Income tax (expense)credit	(4)	46	(21)	(37)
Loss from continuing operations, net of tax	(2,122)	(3,123)	(1,646)	(4,111)
(Loss)Profit from discontinued operations, net of tax	(4,267)	1,368	(4,615)	1,776
	(6,389)	(1,755)	(6,261)	(2,335)
<u>Assets</u>				
Segment Assets			18,222	6,585
Investment in an associate			2,039	3,787
Investment in a joint venture			943	426
Deferred tax assets			-	609
Unallocated assets			20,403	8,488
			41,607	19,895

E Notes to the Condensed Interim Financial Statements (Cont'd)
4.1. Reportable segment (Cont'd)
(a) Analysis by business segment (Cont'd)

	Engineering Service & Manufacturing			
	6 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
		Restated		Restated
<u>Liabilities</u>				
Segment liabilities			2,429	384
Current and deferred tax liabilities			-	257
Unallocated liabilities			2,310	7,559
			<u>4,739</u>	<u>8,200</u>
<u>Other information</u>				
Capital additions:				
- Property, plant and equipment	2	26	2	43
- Unallocated property, plant and equipment	-	486	-	488
	<u>2</u>	<u>512</u>	<u>2</u>	<u>531</u>
Impairment loss on goodwill	-	176	-	176
Impairment loss on investment in an associate	2,155	108	2,155	108
Allowance for inventories obsolescence	-	101	-	74
Allowance/(Write back of allowance) for expected credit losses on trade receivables	1	(71)	57	(19)
Write down on remeasurement of disposal group classified as held for sale	-	534	-	534
Loss(Gain) on disposal subsidiaries	191	-	(1,220)	-
Depreciation and amortisation	6	322	68	362
Unallocated depreciation and amortisation	25	19	52	39
	<u>31</u>	<u>341</u>	<u>120</u>	<u>401</u>
<u>Discontinued operations</u>				
Segment Assets			-	58,590
Segment liabilities			-	26,297
<u>Other information</u>				
Capital additions:				
- Property, plant and equipment	1,072	3,875	1,550	4,366
Allowance for expected credit losses on trade receivables	370	178	370	178
Allowance for inventories obsolescence	-	-	-	20
Impairment loss on right-of-use assets	-	639	-	639
Impairment loss on property, plant and equipment	-	66	-	66
Gain on disposal of property, plant and equipment and right-of-use assets	(2,013)	-	(2,013)	-
Loss on disposal of subsidiaries	4,701	-	4,701	-
Depreciation and amortisation	418	272	812	740

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

4.2. 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.

	12 months ended	
	31.12.2022	31.12.2021
	S\$'000	S\$'000
<u>Revenue from continuing operations</u>		Restated
China	10,196	1,603
Middle East	1,292	190
USA	823	4,993
Singapore	-	566
Other Asian Countries	679	1,501
Other European Countries	284	1,293
	13,274	10,146

Non-current operating assets

	31.12.2022	31.12.2021
	S\$'000	S\$'000
Continuing operations:		
Singapore	5,665	4,776
Others	41	66
	5,706	4,842
Discontinued operations		
China	-	6,731
Singapore	-	14,399
	-	21,130

E Notes to the Condensed Interim Financial Statements (Cont'd)
4.3. Disaggregation of revenue from continuing operations

	Group 6 months ended		Group 12 months ended	
	31.12.2022	31.12.2021 Restated	31.12.2022	31.12.2021 Restated
	\$'000	\$'000	\$'000	\$'000
Type of goods or service				
Sales of goods	2,932	5,995	12,064	9,414
Contract income	214	-	808	-
Service income	251	466	402	713
Commission income	-	-	-	19
	3,397	6,461	13,274	10,146
Timing of revenue recognition				
At a point in time:				
Sales of goods	2,932	5,995	12,064	9,414
Commission income	-	-	-	19
	2,932	5,995	12,064	9,433
Over time:				
Contract income	214	-	808	-
Service income	251	466	402	713
	465	466	1,210	713
	3,397	6,461	13,274	10,146

E5 Financial assets and liabilities

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

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at amortised costs:				
- Cash and bank balances and fixed deposits	23,067	19,245	7,064	1,941
- Trade receivables	1,205	9,036	-	-
- Other receivables	10,728	388	10,621	5,221
	35,000	28,669	17,685	7,162
Financial liabilities				
Financial liabilities at amortised cost:				
- Trade and other payables	1,314	8,765	15,823	11,736
- Bank borrowings	3,016	8,267	1,719	2,344
- Lease liabilities	-	2,518	-	-
	4,330	19,550	17,542	14,080

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

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:

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at amortised costs:				
- Cash and bank balances and fixed deposits	23,067	20,245	7,064	1,941
- Trade receivables	1,205	9,976	-	-
- Other receivables	10,728	93	10,621	5,221
	35,000	30,314	17,685	7,162
Financial liabilities				
Financial liabilities at amortised cost:				
- Trade and other payables	1,314	9,429	15,823	11,736
- Bank borrowings	3,016	8,359	1,719	2,344
- Lease liabilities	-	2,518	-	-
	4,330	20,306	17,542	14,080

E6 Other operating income from continuing operations

	Group		Group	
	6 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	\$'000	Restated \$'000	\$'000	Restated \$'000
Interest income from fixed deposits	55	-	56	-
Interest income arising from unwinding of discount at market rate on loans to a joint venture	61	-	61	-
Government grants	-	3	-	3
Sundry income	24	43	32	137
	140	46	149	140

E Notes to the Condensed Interim Financial Statements (Cont'd)
E7 Other (gains) and losses from continuing operations

	Group		Group	
	6 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Restated		Restated	
	\$'000	\$'000	\$'000	\$'000
Allowance for inventories obsolescence	-	121	-	94
Allowance for expected credit losses	162	106	57	158
Property, plant and equipment written off	40	19	59	-
Loss on disposal of property, plant and equipment	1	-	-	20
Gain on modification of lease	-	(1)	-	(1)
Impairment loss on goodwill	-	176	-	176
Loss (Gain) on disposal of subsidiaries	191	-	(1,220)	-
Write down on remeasurement of disposal group classified as held for sale	-	534	-	534
Impairment loss on investment in an associate	2,155	108	2,155	108
Foreign exchange loss(gain), net	56	231	342	(2)
	2,605	1,294	1,393	1,087

E8 Loss before income tax from continuing operations
8.1 Significant Items

	Group		Group	
	6 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Restated		Restated	
	\$'000	\$'000	\$'000	\$'000
Depreciation of property, plant and equipment	21	89	98	167
Depreciation of right-of-use assets	(19)	119	22	234
Amortisation of intangible assets	2	-	-	-
Write-back of provision for warranty	-	(61)	-	(61)
Interest expense on bank borrowings	39	55	86	109
Interest expense on lease liabilities	0	23	7	25
Interest (income)expense	(116)	1	(117)	-
Allowance for inventories obsolescence	-	101	-	74
Allowance (Write-back of allowance) for expected credit losses on trade receivables and contract assets	1	(71)	57	(19)
Impairment loss on goodwill	-	176	-	176
Impairment loss on investment in an associate	2,155	108	2,155	108
Write down on remeasurement of disposal group classified as held for sale	-	534	-	534
Loss on disposal of property, plant and equipment	1	19	-	20
Property, plant and equipment written off	40	-	59	-
Gain on modification of lease	-	(1)	-	(1)
Loss(Gain) on disposal subsidiaries	191	-	(1,220)	-
Foreign exchange gain, net	57	231	343	(2)
Research and development expenses	(1)	418	136	846
Employees benefit expense (including directors)	434	3,621	1,768	5,225
Defined contribution plans (including directors)	17	195	65	266

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:

	Group		Group	
	6 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Management fee income received/receivable from subsidiaries	888	1,098	2,015	2,391

E9 Income tax expense(credit)

	Group		Group	
	6 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Income tax				
- Current year	(1)	(60)	16	21
- Underprovision in prior years	-	-	-	2
	(1)	(60)	16	23
Deferred tax				
- Current year	5	10	5	10
Withholding tax	-	4	-	4
	4	(46)	21	37

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

E10 Loss from discontinued operations, net of tax

On 1 December 2022 the Group completed the disposal of CAE SG Group and on 14 December 2022, the Group fulfilled all material conditions, including transfer of ownership with respect to the disposal of CAE CN.

Please refer to Note A – Disposals of subsidiaries of the Condensed Interim Consolidated Statement of Cash Flows for effect of the disposal of both CAE SG Group and CAE CN on the financial position of the Group.

The disposal of CAE SG Group and CAE CN meet the criteria for the classification as discontinued operations. Accordingly, the result of operations for the financial year ended 31 December 2022 and 2021 are presented separately on the statement of profit and loss as “(loss)profit from discontinued operations, net of tax”.

The results of the discontinued operations for the financial year ended 31 December are as follow:

	12 months ended	
	31.12.2022 S\$'000	31.12.2021 S\$'000
Revenue	27,678	31,583
Cost of sales	(23,219)	(24,546)
Gross profit	4,459	7,037
Other operating income	546	777
Distribution and marketing costs	(2,499)	(1,962)
Administrative expenses	(2,690)	(2,241)
Other operating expenses	(844)	(1,053)
Other gains and losses, net	(3,148)	(747)
Finance cost	(344)	(188)
(Loss)Profit from discontinued operations	(4,520)	1,623
Income tax (expense) credit	(95)	153
(Loss)Profit from discontinued operations, net of tax	(4,615)	1,776

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

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

	12 months ended	
	31.12.2022 S\$'000	31.12.2021 S\$'000
Depreciation of property, plant and equipment	652	537
Depreciation of right-of-use assets	160	203
Provision for warranty	169	-
Interest expenses on bank borrowings	135	106
Interest on lease liabilities	66	81
Interest income	(59)	(75)
Allowance for inventories obsolescence	-	20
Allowance for expected credit losses on trade receivables and contract assets	370	178
Impairment loss on right-of-use assets	-	639
Impairment loss on property, plant and equipment	-	66
Gain on disposal of property, plant and equipment and right-of-use assets	(2,013)	-
Provision of modification of existing products	-	1,689
Inventories written off	-	2
Loss on disposal of subsidiaries	4,701	-
Foreign exchange loss	76	39
Research and development expenses	932	1,044
Employees benefit expense (including directors)	2,322	1,961
Defined contribution plans (including directors)	205	215

E11 (Losses)Earnings per share

	Group 6 months ended		Group 12 months ended	
	31.12.2022 Cents	31.12.2021 Cents	31.12.2022 Cents	31.12.2021 Cents

(Losses)Earnings per share for period/year based on net loss(profit) attributable to owners of the Company:

Continuing operations

(i) Based on weighted average number of ordinary in issue	(2.09)	(3.09)	(1.62)	(4.06)
(ii) On a fully diluted basis	(2.09)	(3.09)	(1.62)	(4.06)

Discontinued operations

(i) Based on weighted average number of ordinary in issue	(4.21)	1.35	(4.56)	1.75
(ii) On a fully diluted basis	(4.21)	1.35	(4.56)	1.75

The calculation of basic losses per share is based on loss attributable to owners of the Company in the respective periods divided by the weighted average number of ordinary shares of 101,268,367 (31 December 2021: 101,268,367). The calculation of diluted losses per share is the same as the basic losses per share as the Company did not have potentially dilutive ordinary shares as at 31 December 2022 and 31 December 2021.

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

E12 Net asset value

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	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	36.33	43.36	30.03	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 31 December 2022 (31 December 2021: 101,268,367).

E13 Contract assets and contract liabilities

Contract assets

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Accrued revenue	5	79	371	525
Amounts related to construction contracts	-	6,065	-	-
Less: Allowance for expected credit losses	-	(14)	-	-
	5	6,130	371	525

Contract liabilities

	Group	
	31.12.2022	31.12.2021
	\$'000	\$'000
Advanced receipts from customers	313	10,150
Amounts related to construction contracts	-	2,077
	313	12,227

E14 Assets classified as held for sale

The Assets classified as held for sale as at 31 December 2021 were related to the disposal of its entire equity interest in its 100% owned subsidiaries, ATAC and GWI. The disposals were completed in FY2022. For details of the major classes of assets and liabilities of the disposal group, please refer to Note 9 of the Notes to the Financial Statements in the Company's FY2021's Annual Report.

E Notes to the Condensed Interim Financial Statements (Cont'd)
E15 Property, plant and equipment

During FY2022, the Group acquired assets amounting to \$1,551,000 (FY2021: \$4,898,000) and disposed assets with carry amounts of \$11,946,000 FY2022 (FY2021: S\$224,000).

E16 Borrowings
Amount repayable in one year or less, or on demand

As at 31.12.2022		As at 31.12.2021	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
1,132	-	2,151	-

Amount repayable after one year

As at 31.12.2022		As at 31.12.2021	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
1,884	-	6,026	90

Bank borrowings as at 31 December 2022 comprised the following:

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

E17 Share Capital

<u>Issued Ordinary Shares</u>	No. of Shares	
	31.12.2022	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	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 31 December 2022 and 31 December 2021.

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

E Notes to the Condensed Interim Financial Statements (Cont'd)
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			
	31.12.2022		31.12.2021	
	<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%	

E19 Comparative figures

The following comparative figures were restated due to the disposal of subsidiaries, CAE SG Group and CAE CN. The results of these operations have been reclassified as discontinued operations.

Consolidated income statement

	Group		Group	
	6 months ended 2021		12 months ended 2021	
	31.12.2021 As previously reported S\$'000	31.12.2021 As restated S\$'000	31.12.2021 As previously reported S\$'000	31.12.2021 As restated S\$'000
Continuing operations				
Revenue	22,709	6,461	41,729	10,146
Cost of sales	(16,237)	(4,968)	(30,810)	(6,264)
Gross profit	6,472	1,493	10,919	3,882
Other operating income	466	46	917	140
Distribution and marketing costs	(2,333)	(1,095)	(4,461)	(2,499)
Administrative expenses	(2,731)	(1,720)	(5,660)	(3,418)
Other operating expenses	(1,460)	(414)	(1,890)	(837)
Other gains and losses, net	(2,115)	(1,294)	(1,834)	(1,087)
Finance cost	(178)	(78)	(321)	(134)
Share of results of an associate and a joint venture	(107)	(107)	(121)	(121)
Loss before income tax from continuing operations	(1,986)	(3,169)	(2,451)	(4,074)
Income tax credit (expense)	231	46	116	(37)
Loss from continuing operations. net of tax	(1,755)	(3,123)	(2,335)	(4,111)
Discontinued operations				
Profit from discontinued operations, net of tax	-	1,368	-	1,776
Loss for the period/year	(1,755)	(1,755)	(2,335)	(2,335)

E20 Event occurring after the Reporting Period

Advanced Agri Pte Ltd (“AAPL”)

On 21 May 2021, the Group invested in 51% owned company, AAPL. Based on the contractual agreement, all major decisions over the relevant activities require unanimous consent from all joint venture partners. As such, the Group accounted for investment in AAPL as a joint venture and equity accounted the results of AAPL during the year.

Subsequent to the financial year-end, on 1 January 2023, the Group entered into a supplementary joint venture shareholder agreement with other joint venture partners to amend certain terms of the original agreement. With such amendments made to the rights of the Group in the joint venture agreement, the Group considered the proportion of its ownership interests and voting rights as well as the Group’s overall exposure to variable returns and determined that it has control over AAPL. Accordingly, the Group accounted for AAPL as a subsidiary from 1 January 2023.

CAE CN

On 9 January 2023, the Group received cash consideration of S\$10,600,000 from the third party and completed the disposal of CAE CN.

F. Other Information

F1 Review

The condensed consolidated statement of financial position of Advanced Holdings Ltd. and its subsidiaries as at 31 December 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 twelve-months 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

Financial Year ended 31 December 2022 (“FY2022”) as compared to Financial Year ended 31 December 2021 (“FY2021”)

Continuing operations:

The Group's revenue from its continuing operations increased by about S\$3.1 million to S\$13.2 million in FY2022 as compared to S\$10.1 million in FY2021. In FY2022, the Group concluded a number of trading transactions with a customer in China and increased its trading revenue by about S\$6.9 million and secured a few projects of about S\$1.3 million in the Middle East region. These increases were offset by the lost sales due to the disposal of ATAC and GWI of about S\$6.8 million.

The decline in the gross profit margin from 38% in FY2021 to 19% in FY2022 was primarily due to the lower gross margin from the trading transactions as compared to the margin that the Group obtained from the lost sales due to the disposal of ATAC and GWI. The Group made gross profit of about S\$2.5 million in FY2022 as compared to S\$3.9 million in FY2021.

Other operating income increased slightly by S\$9,000 due to higher interest income from fixed deposits placed with OCBC and interest income arising from unwinding of discount at market rate on loans to a joint venture of S\$117,000 in FY2022 and offset by the absence of sundry income that the Group received in FY2021.

Distribution and marketing expenses declined by about 84% (or S\$2.1 million), from S\$2.5 million in FY2021 to S\$0.4 million in FY2022 primarily due to savings on distribution expenses of about \$1.3 million from the disposal of ATAC and GWI, reduction in distribution staff costs in Singapore and other cost savings by the other group subsidiaries.

F. Other Information (Cont'd)

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

Administrative expenses have also reduced by about S\$1 million from S\$3.4 million in FY2021 to S\$2.4 million in FY2022 primarily due to cost savings of S\$1.2 million from the disposal of ATAC and GWI, which was partially offset by an increase in administrative expenses incurred by the Middle East offices to support the projects secured, increase in professional expenses as the Company transferred to the Catalist Board and on account of fees incurred for disposal of ATAC, GWI, CAE SG Group and CAE CN in FY2022.

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, the Group achieved savings of about S\$0.6 million.

The breakdown on the other gains and losses is presented in Note E.7, which explained the other gain and losses of the Group in FY2022. In FY2022, the Group recognized an impairment of S\$2.2 million on lands owned by the Group's associate, Agricore Global Pte Ltd ("**Agricore**") which was partially offset by a gain on the disposal of ATAC and GWI of S\$1.2 million and exchange gain of S\$0.3 million.

Share of results of an associate and a joint venture relates to the investment in Agricore and the joint venture pertaining to the setting up of a corn cultivation, corn accumulation and trading, and corn processing facility in Indonesia through Advanced Agri Pte Ltd ("**AAPL**") and its Indonesian subsidiary PT Advanced Agri Indonesia ("**AAI**") (the "**Joint Venture**"). The net share of profit of S\$0.1 million in FY2022 comprised of S\$0.4 million share of profits from Agricore from the sale of one piece of land and offset by the share of losses of S\$0.3 million from the Joint Venture, mainly for the share of manpower costs incurred by AAI for the planning, sourcing for contractors and suppliers for the corn facility.

The Group closed FY2022 with a reduced loss from continuing operations of about S\$1.6 million in FY2022 as compared S\$4.1 million in FY2021, primarily due to reasons described above.

Geographically, as disclosed in Notes E4.1(b) to the condensed interim consolidated financial statements, customers from China and Middle East constitute the two largest markets.

Discontinued operations:

The breakdown of the net loss from the discontinued operations i.e. from businesses generated by CAE SG Group and CAE CN is presented in Note E.10. Loss from discontinued operations in FY2022 amounted to S\$4.6 million and included one-off loss on the disposal of CAE SG Group and CAE CN of S\$4.7 million, gain on disposal of the property owned by CAE SG of S\$2 million. In the absence of these one-off items, the Group would have recorded losses from the discontinued operations of about S\$1.8 million as compared to profit of S\$1.8 million in FY2021 and primarily due to lower revenue of about S\$3.9 million which resulted in lower gross profit of about S\$2.6 million.

F. Other Information (Cont'd)

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

Statement of Financial Position

The Group's financial position as at 31 December 2022 remains healthy with a strong net working capital of S\$33 million as at 31 December 2022, representing an increase of about S\$6.4 million from S\$26.6 million as at 31 December 2021.

The Group's total assets decreased by S\$36.9 million, from S\$78.5 million as at 31 December 2021 to S\$41.6 million as at 31 December 2022. The Group's current assets as at 31 December 2022 stood at S\$35.9 million, which accounted for 86% of the Group's total assets and represents a decrease of S\$16.6 million from S\$52.5 million as at 31 December 2021. The decrease in current assets was mainly due to the disposal of ATAC, GWI, CAE SG Group and CAE CN that resulted in a reduction in current assets of S\$42.4 million and partially offset by the consideration from the disposals of the four subsidiaries and disposal of the property owned by CAE SG.

The Group's non-current assets consist mainly of property, plant and equipment, investment in an associate and investment in and loan to the joint venture. The decrease in the non-current assets by S\$20.3 million from S\$26 million as at 31 December 2021 to S\$5.7 million as at 31 December 2022 was primarily due to the disposal of ATAC, GWI, CAE SG and CAE CN of S\$23.7 million and partially offset by the increase in loan of S\$2.2 million to the joint venture during FY2022.

The Group's total liabilities decreased by S\$29.8 million and stood at S\$4.7 million as at 31 December 2022; current liabilities accounted for 60% of the Group's liabilities or S\$2.9 million. The decrease in liabilities is mainly resulted from the disposal of the four entities mentioned above. The non-current liabilities as at 31 December 2022 is mainly outstanding loans with OCBC bank of S\$1.9 million.

Statement of Cash Flows

The Group's cash and cash equivalents increased by approximately S\$3.5 million (after adjusted for the foreign exchange rate changes on the balance of cash held in foreign currencies), from S\$19.6 million as at 31 December 2021 to S\$23.1 million as at 31 December 2022.

The Group recorded net cash generated from operating activities of S\$2.6 million in FY2022 as compared to cash used in operating activities S\$0.2 million in FY2021 primarily driven by the disposal of ATAC, GWI, CAE SG Group and CAE CN that resulted in the positive working capital movement.

Net cash generated from investing activities amounted to S\$6 million in FY2022 as compared to net cash used in investing activities of S\$10.2 million in FY2021. Proceeds from the disposal of the property owned by CAE SG of S\$13.2 million was partially offset by the net cashflow from the disposals of ATAC, GWI, CAE SG Group and CAE CN of S\$2.6 million, addition of property, plant and equipment of S\$1.6 million, investment in and loan to the joint venture of S\$3.1 million.

Net cash used in financing activities amounted to S\$4.8 million in FY2022, as the Group repaid the loan that was secured by CAE SG's property in full and the scheduled repayment of the Group's other loan.

F. Other Information (Cont'd)

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.

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

As mentioned in Note E20, the Group consolidates AAPL as a subsidiary from 1 January 2023. AAPL currently holds 99.9% of AAI's equity interest in Indonesia. AAI's corn processing facility in Sulawesi Island, Indonesia is scheduled to be commissioned this year and will commence processing Indonesia sourced corn for distribution to the Indonesian and South East Asian animal feed supply industry. As we exit from the pandemic and enter a recovering economy, we expect a consistent growth of demand in the animal feed supply industry to support the growing poultry, cattle and aquaculture industries.

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 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 FY2022 as the board deems it appropriate to retain the cash for the Group's future growth.

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 FY2022.

F. Other Information (Cont'd)

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 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. No dividends have been declared or recommended for the financial years ended 31 December 2022 and 31 December 2021.

F10 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ms Wong Swee Yoke	62	Sister to Dr Wong Kar King, Managing Director and substantial shareholder of the Company.	Appointed as Director of Advanced Controls (M) Sdn Bhd on 11 August 1997. Appointed as General Manager for Advanced Controls (M) Sdn Bhd on 1 May 2006.	Nil Ceased on 1 February 2023.

F11 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

In FY2022, the Group continues to operate under one core business segment, Engineering Service & Manufacturing, primarily on the Petrochemicals & Chemicals and Oil & Gas industries.

With the disposal of ATAC, GWI, CAE SG Group and CAE CN, China and Middle East became the two main revenue contributing geographical locations for the Group. China's revenue contribution in FY2022 amounted to S\$10.2 million compared to S\$1.6 million in FY2021 as the Group secured a few trading transactions with a PRC customer in FY2022. Middle East contributed S\$1.3 million, representing an increase of \$1.1 million from FY2021 with a few turn key projects by the Group's subsidiary in Saudi Arabia.

Please refer to Note E4 of the condensed interim consolidated financial statements for details on revenue contribution by geography.

F. Other Information (Cont'd)
F12 A breakdown of sales

	FY2022	FY2021	Increase /
	S\$'000	Restated	(Decrease)
		S\$'000	%
Sales reported for first half year	9,877	3,685	168
Operating profit(loss) after tax from continuing operations before deducting non-controlling interests reported for first half year	475	(988)	N.M
Loss from discontinued operations, net of tax before deducting non-controlling interests reported in first half of the year	(348)	408	N.M
Sales reported for second half year	3,397	6,461	(47)
Operating loss after tax from continuing operations before deducting non-controlling interests reported for second half year	(2,121)	(3,123)	(32)
Loss from discontinued operations, net of tax before deducting non-controlling interests reported in second half of the year	(4,267)	1,368	N.M

F13 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, (ii) 10 February 2022 and 28 February 2022 in relation to the disposal of ATAC and (i) 14 October 2022, 31 October 2022, 15 November 2022, 23 November 2022, 1 December 2022 and 9 January 2023 in relation to the disposal of CAE SG Group and CAE CN, 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 FY2022.

BY ORDER OF THE BOARD

Dr Wong Kar King
 Managing Director
 28 February 2023