Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Advanced Holdings Ltd.

Stock code: BLZ

Meeting details:
Date: 28 April 2022
Time: 2.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. The group's mission is to advance innovation in engineering science. Its engineering services and equipment business is further classified into advanced analyser technologies and advanced system solutions. The group showcased its systems and products on pages 4 and 5 and its partners on page 6 of the annual report.

In recent months, the company has announced the proposed disposal of Guided Wave Inc. on 7 January 2022 followed by the proposed disposal of Analytical Technology & Control Limited. This comes after the company disposed of ZMK Technologies GmbH in 1H2020. The two disposals were completed after the end of the financial year on 1 March 2022 and 25 February 2022 respectively.

(i) **Did the board carry out a strategic review on the business units? What are the strategic reasons for the multiple disposals of operating subsidiaries in quick succession?**

(ii) **In addition, how is the group positioning itself for the recovery in the oil and gas sector?**

(iii) **Given that China is the group's largest market, how are operations affected as China maintains its Zero-COVID policy? Is the group facing heightened manpower and supply chain disruptions due to the lockdown/COVID-19 measures in China? How is management mitigating such challenges?**

(iv) **Would management be providing shareholders with regular updates on the situation on the ground in China (via SGXNet)?**

Q2. As shown in Note 15 (page 105 – Investments in associates), the group's investments in associates amounted to $15.0 million at cost. The group has impaired $11.0 million of it. The carrying value stands at $3.79 million following the share of post-acquisition results.

15. Investments in associates

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Unquoted equity shares, at cost	15,000	15,000	15,000	15,000
Share of post-acquisition results	(210)	(173)	–	–
Less: Allowance for impairment losses	(11,003)	(10,895)	(11,213)	(11,000)
	3,787	3,932	3,787	4,000

(Source: company annual report)

(i) The associates have lost 75% in value since the group's investment. **Is the board satisfied with the outcome of the group's investments in associates?**

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(ii) **Will the board carry out a comprehensive review to understand the original investment thesis (in the board approval), the assumptions and the reasons that the associates failed to deliver against the investment thesis? In the meantime, is it prudent for the group to halt further investments in associates until the board's review?**

In addition, the company incorporated and holds 51% of Advanced Agri Pte Ltd (AAPL) which is in the management of corn plantation(s), corn trading, corn processing and sales and distribution of corn-based products in Indonesia. The company invested $510,000 in the joint venture, and carries AAPL at $426,000 as at 31 December 2021 after AAPL posted a loss of $(164,000).

(iii) **How much has the company earmarked to support the growth of AAPL?**

(iv) **How is this investment aligned with the group's vision and mission?**

(v) **Given that the corn business is significantly different from the core business, would the risk profile of the group be significantly altered?**

(vi) **Did the board approve the investment? Please help shareholders understand the reasons that the company is selling off its engineering business units and is re-allocating capital to a corn-related business in Indonesia.**

Q3. On 7 March 2022, Ms Teo Siok San Samantha resigned as the deputy chief executive officer of the company. Ms Teo has been in charge of the group's overall management and operations, formulating business strategies as well as identifying and developing new businesses for the group.

The reason for the cessation was "to pursue personal interest and other career opportunities".

In addition, on the same day, the company also announced the redesignation of Mr Wang Yilong Johnson from acting chief financial officer to the group finance manager and the appointment of Ms Tay Bee Gek as the chief financial officer of the company (with effect from 21 March 2022).

In the company's response to SGX's query (dated 10 March 2022), the company stated that Dr Wong Kar King, the managing director will be overseeing the company's operations. There will be no new appointment to take over Ms Teo's role.

(i) **Would the board/nominating committee help shareholders understand if it had approved the changes in the senior management team and if these changes are in line with the succession plan?**

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(ii) **With the managing director taking on additional duties, will there be a risk that there the managing director will not have sufficient bandwidth to oversee the operations and that decision-making becomes concentrated in a single person?**

(iii) **Has the board/nominating committee reviewed the group's bench strength and talent pipeline?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

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

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

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)