

FOR IMMEDIATE RELEASE

Advanced announces revenue of S\$17.8 million for 1H2017, reduces loss in 2Q2017

- Strong cash reserves of \$\$44.5 million
- Improved gross profit margin of 30%
- Completion of new manufacturing facility in UAE

(in S\$'m)	2Q2017	2Q2016	Chg (%) ¹	1H2017	1H2016	Chg (%) ¹
Revenue	8.0	21.4	(62.7)	17.8	44.1	(59.7)
Gross profit	3.2	3.7	(13.7)	5.3	9.7	(44.9)
Gross profit margin (%) ¹	40.2	17.4	22.8 pts	30.0	22.0	8.0 pts
Profit/(Loss) for the period	(1.2)	(1.5)	(19.4)	(4.5)	(2.1)	113.6
EPS (cents) ²	(1.15)	(1.35)	(14.8)	(4.21)	(1.77)	137.9

¹ Any discrepancies in the percentages are due to rounding

SINGAPORE - 8 August 2017 - Advanced Holdings Ltd. ("Advanced" or "Group"), a global supplier of proprietary process equipment, clean energy solutions and related technologies, today announced a revenue of S\$17.8 million for the six months ended 30 June 2017 ("1H2017"), down from S\$44.1 million for the same period the previous year ("1H2016").

The fall in revenue is a result of the continued challenging market conditions in Oil & Gas related industries. In spite of these circumstances, gross profit margin for 1H2017 was boosted by an increase in higher margin revenue, improving to 30% from 22% in 1H2016.

The Group's commitment to managing operating costs in these challenging conditions has yielded tangible results. On a year-to-date basis, distribution and marketing costs declined 29.1% while administrative expenses fell 4.2%

² EPS is based on the weighted average number of 101,268,367 ordinary shares (30 June 2016: 101,268,367)

Revenue from the Group's core industries, Oil & Gas and Petrochemicals & Chemicals, were lower compared to the same period last year. The collapse of crude oil prices in 2014, and subsequent lack of significant recovery since then, contribute to a lack of new investments and business opportunities in these segments.

As a result, revenue from China was lower on a year-to-date basis, coming to \$\$3.9 million for 1H2017, down from \$\$13.4 million in 1H2016. Revenue from our other main market, Singapore, was also down coming to \$\$3 million for 1H2017, from \$\$9.5 million in the same period last year. Singapore's lower contribution was also affected by the divestment of the Group's former subsidiary Applied Engineering Pte Ltd. Elsewhere, the completion of large scale projects in Vietnam and Kazakhstan accounts for the fall in revenue from Vietnam and Other Asian Countries in 1H2017 compared to 1H2016.

With these contributing factors, the Group reported a net loss of S\$4.3 million attributable to the owners of the company for 1H2017.

The Group's financial position, as at 30 June 2017, remained strong with cash reserves of S\$44.5 million. The Group's order book also remains consistent at approximately S\$49 million.

<u>Outlook</u>

Although the recovery of the Oil & Gas industry appears to have gained some momentum as of late, economic indicators suggest that this recovery is still very much in its infancy and that the pace of recovery is not consistent worldwide. With this in mind, the Group will remain vigilant and continue its efforts to manage costs and capital expenditure effectively, while exploring business opportunities synergistic with its long term growth strategy.

The Group's expansion into the Middle East is well under way with the manufacturing facility in the United Arab Emirates being completed, while the facility in Saudi Arabia is expected to be commissioned towards the end of the year. Upgrades have been completed at the Group's

facility in Germany to increase the productivity of the plant. Together with the Group's other facilities in the United States and China, the Group is in a good position to capitalise on these resources and exert a global market presence.

The Group has on 21 January 2017 entered into a non-binding term sheet in relation to the proposed acquisition by the Group of the entire equity interest in Agricore Global Pte Ltd together with its subsidiaries and associated companies (the "**Proposed Acquisition**") which is in the business of cultivation of crude palm oil plantations.

Whilst the term sheet has expired on 20 July 2017, the Group is continuing discussions with the vendors of Agricore Global Pte Ltd to finalise and enter into a definitive Sale and Purchase Agreement. As discussions are still on-going between the Group and the Vendors, there is no certainty that the definitive Sale and Purchase Agreement will be entered into and no decision has been made by the Board.

The Proposed Acquisition, if undertaken and completed, is expected to result in a reverse takeover of the Group.

Please refer to SGXnet announcement dated 23 January 2017, 21 April 2017, 22 May 2017 and 25 July 2017 for more details relating to the Proposed Acquisition.

Appendix A: Revenue breakdown by segment from continuing operations

Revenue by Industry (S\$'m)	1H2017	1H2016	% Chg ¹
Petrochemicals & Chemicals	10.3	29.7	(65.2)
Oil & Gas	5.8	10.9	(47.1)
Iron & Steel	0.1	0.1	6.0
Others	1.6	3.4	(53.3)
Revenue by Geography (S\$'m)	1H2017	1H2016	% Chg ¹
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China	3.9	13.4	(70.6)
Singapore	3.0	9.5	(68.1)
Vietnam	1.7	3.2	(45.5)
Other Asian Countries	3.4	9.1	(62.6)
Middle East	0.6	1.6	(62.2)
Europe	2.3	4.3	(46.7)
USA	2.2	2.8	(19.9)
Others	0.5	0.1	570.1
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About Advanced Holdings Ltd.

Founded in 1993, SGX Mainboard-listed Advanced is a specialist company primarily focused on the design and supply of **Process Equipment and Technologies** to the **Oil & Gas** and **Petrochemicals & Chemicals** industries; the design and supply of **Clean Energy** and the provision of **Environmental Technologies**. Advanced is an established global company with rapidly growing presence across countries spanning Asia, Europe, the Middle East and the USA.