MEMORANDUM OF UNDERSTANDING FOR THE ACQUISITION OF THE ENTIRE SHARE CAPITAL OF BD CRANE & ENGINEERING PTE LTD

The Board of Directors (the "**Board**") of Advanced Holdings Ltd. (the "**Company**", and collectively with its subsidiaries, the "**Group**") is pleased to announce that the Company has on 17 January 2014 entered into a memorandum of understanding ("**MOU**") with BD Cranetech Pte Ltd (the "**Vendor**"), pursuant to which it is proposed that the Company shall acquire the entire share capital of BD Crane & Engineering Pte Ltd ("**BDCE**") (the "**Proposed Acquisition**"). The Company understands that Mr Lim Pang Hern, Mr Ng Kok Teck and Ms See Mei Li (Mr Ng Kok Teck's spouse), who are substantial shareholders of the Company, hold 55%, 35% and 10% interest in the Vendor respectively,

The Vendor currently holds 100% of the entire issued and paid up share capital of BDCE and it is intended that the Vendor will, prior to completion of the Proposed Acquisition, transfer or procure the transfer of its entire crane business (which includes engineering, design and maintenance services) and its related assets (the "**Crane Business**") to BDCE. The Crane Business provides custom-engineered lifting solutions through the use of standardised components, which maximises productivity and costs savings to customers.

The Shareholders should note that the MOU is not intended to be legally binding on the Company and the Vendor (collectively, the "**Parties**") save for certain specified terms relating to, amongst others, confidentiality. The principal terms of the Proposed Acquisition as set out in the MOU are subject to a definitive sale and purchase agreement to be entered into between the Parties.

The Company is of the opinion that the Proposed Acquisition will provide an opportunity for the Company to expand its existing engineering and design capabilities and has the potential for growth to the benefit of the Company and its shareholders (the "**Shareholders**"). The Board is hence of the view that the Proposed Acquisition is likely to enhance the long terms interests of Shareholders.

The Company would like to caution Shareholders that at this stage, no definitive agreement has been entered into in relation to the abovementioned subject matter and there is no certainty that any transactions will result from the abovementioned event, or that if they do, it would be on the terms referred to above.

The Company will make further announcements relating to the Proposed Acquisition at the appropriate time.

By Order of the Board

Dr Wong Kar King Managing Director 17 January 2014