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## FOR IMMEDIATE RELEASE

## Advanced announces 41.2% increase in revenue for 1H2018

- Improved revenue of \$\$26.3 million
- 88% growth in revenue from Petrochemicals and Chemicals
- Strong growth in Chinese and US markets
- Order book improved to \$\$47.5 million
- Cash reserves healthy at \$\$39.2 million

(in S\$'m)	2Q2018	2Q2017	Chg (%)	1H2018	1H2017	Chg (%)
( 54)		(restated)			(restated)	
Revenue	14.1	8.3	70.1	26.3	18.6	41.2
Gross profit	5.0	3.3	51.4	9.2	5.8	59.7
Gross profit margin (%) <sup>1</sup>	35.4	39.8	(4.4) pts	35.1	31.0	4.1 pts
Profit/(Loss) for the period	0.2	(1.2)	NM	(0.3)	(4.1)	93.3
EPS (cents) <sup>2</sup>	0.2	(1.09)	NM	(0.24)	(3.86)	NM

<sup>&</sup>lt;sup>1</sup> Any discrepancies in the percentages are due to rounding

SINGAPORE – 7 August 2018 – 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\$26.3 million for the six months ended 30 June 2018 ("1H2018"). This represents a 41.2% increase in revenue compared to the S\$18.6 million reported for the same period the previous year ("1H2017").

The increase in revenue is mainly attributable to higher revenue generation from the Group's core industry, Petrochemicals and Chemicals.

<sup>&</sup>lt;sup>2</sup> EPS is based on the weighted average number of 101,268,367 ordinary shares (30 June 2017: 101,268,367)

Gross profit was also substantially higher than last year's figure of \$\$5.8 million, amounting to \$\$9.2 million for 1H2018 - an increase of 59.7%. Gross profit margin also increased year-on-year, from 31% in 1H2017 to 35.1% in 1H2018.

The Group's Petrochemical and Chemical business segment generated S\$20.7 million in revenue in the first half of 2018, an 88% jump from the S\$11 million reported in 1H2017.

The Oil and Gas segment continues to be affected by the industry downturn. Revenue from Oil and Gas segment amounted to \$\$4.4 million in 1H2018, down 24.1% from \$\$5.8 million in 1H2017.

In terms of regional revenue generation, China continues to be a leader and is seeing strong growth. Revenue from China totaled S\$9.4 million for 1H2018, more than double the S\$4.5 million generated over the same period in 2017.

Likewise, the US market continues to grow, contributing \$\$5.6 million in revenue for 1H2018 - a 155.2% increase from 1H2017's figure of \$\$2.2 million.

Both China and the US are benefiting from the improved market conditions and are important markets for the Group's present and future business interests.

Elsewhere, a large project in Kazakhstan has seen revenue from the country jump from \$\$1 million in 1H2017 to \$\$4.4 million in 1H2018.

The increased revenue from Kazakhstan, as well as improved revenue from the Middle East – a result of the Group's expansion in recent years – and the rest of Asia, compensates for the decrease in revenue from European, Singaporean and Indonesian markets.

The Group experienced a net foreign exchange loss of approximately \$\$0.1 million in the first half of this year, as compared to the net foreign exchange loss of \$\$1 million suffered in 1H2017.

1H2018 ended with a net loss of S\$0.2 million attributable to the owners of the company, compared to the S\$3.9 million loss experienced in 1H2017.

The Group's financial position, as at 30 June 2018, remained strong with cash reserves of \$\$39.2 million.

The Group's order book is healthy, standing at \$\$47.5 million as at 30 June 2018.

## Outlook

OPEC is predicted to raise oil production by about 200,000 barrels per day through the fourth quarter of this year compared to the second quarter. Analysts caution that the year-end oil prices will depend on several on-going developments, including issues involving two key chokepoints for oil shipping in the Middle East; the escalation of rhetoric between the US and Iran; and industrial actions over some of the North Sea oil and gas platforms.

Globally, fresh concerns over increased protectionism has heightened trade and geopolitical tensions, further increasing the uncertainty of the business environment in which the Group operates.

China's recently announced initiative to stimulate economic growth, which includes a focus on investment in oil and gas, is welcomed as a potential steadying hand in light of continuing global uncertainty.

The Group understands the potential impact the above issues can have on its operations and is remaining vigilant while proactively developing strategies to mitigate them in the best manner possible.

The Group has on 15 August 2017 entered into a conditional sales and purchase agreement to acquire the entire equity interest in Agricore Global Pte Ltd together with its subsidiaries (the "Target Group") (the "Proposed Acquisition"). Subject to completion of a group restructuring exercise, the Target Group will, prior to completion of the Proposed Acquisition, collectively own rights to develop approximately 196,121 hectares of plantation land in Sulawesi Island, Indonesia.

The Proposed Acquisition, if undertaken and completed, is expected to result in a reverse takeover of the Group, and will provide the Group with a suitable platform for its next phase of growth.

The Long-Stop date for the Proposed Acquisition has been extended to 13 August 2018, following the signing of an extension agreement.

Please refer to SGXnet announcement dated 7 February 2018 for more details relating to the Proposed Acquisition.

Appendix A: Revenue breakdown by segment from continuing operations

Revenue by Industry (S\$'m)	1H2018	1H2017	% Chg <sup>1</sup>
Petrochemicals & Chemicals	20.7	11.0	0.88
Oil & Gas	4.4	5.8	(24.1)
Iron & Steel	0.2	0.1	100.0
Others	1.1	1.8	(37.8)
Revenue by Geography (S\$'m)	1H2018	1H2017	% Chg <sup>1</sup>
China	9.4	4.5	109.6
Europe	1.0	2.8	(62.6)
Kazakhstan	4.4	1.0	344.9
USA	5.6	2.2	155.2
Singapore	1.6	3.1	(49.3)
Indonesia	0.2	1.5	(87.3)
Malaysia	0.5	0.2	147.9
Vietnam	1.2	1.7	(29.3)
Other Asian Countries	0.9	0.6	52.8
Middle East	1.2	0.6	103.1
Others	0.3	0.5	(48.9)

<sup>&</sup>lt;sup>1</sup> Any discrepancies in the percentages are due to rounding

## 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.