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FOR IMMEDIATE RELEASE

Advanced reports S\$41.7 million in revenue for FY2021

- Business continues to be affected by the economic slowdown resulting from the Coronavirus pandemic
- Increased revenue from some regions despite the tough business environment
- Healthy financial position with cash reserve at \$19.2 million and order book of approximately \$\$553.1 million

(in S\$'m)	2H2021	2H2020	Chg (%)	FY2021	FY2020	Chg (%) 1
Revenue	22.7	22.3	1.9	41.7	59.1	(29.4)
Gross profit	6.5	3.1	107.4	10.9	11.9	(8.1)
Gross profit margin (%) ¹	28.5	14.0	14.5 pts	26.2	20.1	6.1 pts
Profit/(Loss) for the period/year	(1.8)	(3.6)	(51.9)	(2.3)	3.1	NM
EPS (cents) ²	(1.73)	(3.74)	(53.2)	(2.31)	2.77	NM

¹ Any discrepancies in the percentages are due to rounding

SINGAPORE – 24 February 2021 – Advanced Holdings Ltd. ("Advanced" or "Group"), a global supplier of proprietary process equipment, clean energy solutions and related technologies, today announced a revenue of \$\$41.7 million for the financial year ended 31 December 2021 ("FY2021") as compared to \$\$59.1 million for the same period the previous year ("FY2020"), representing a decrease in revenue of 29.4%.

The decrease in revenue is mainly attributable to the disposal of a subsidiary, ZMK Technologies GmbH ("ZMK"), as well as the continued economic and market slowdown experienced as a result of the Coronavirus pandemic.

Gross profit for FY2021 was S\$10.9 million, slightly lower than FY2020's figure of S\$11.9 million. Gross profit margin improved year-on-year from 20.1% in FY2020 to 26.2% in FY2021.

² EPS is based on the weighted average number of 101,268,367 ordinary shares (31 December 2019: 101,268,367)

The Petrochemicals and Chemicals industry accounted for S\$36.4 million in revenue this year, 26.1% lower than the S\$49.2 million recorded in FY2020. Revenue from Oil & Gas came to S\$3.4 million for FY2021, as compared to S\$4.9 million the previous year, representing a 30.3% decrease year-on-year.

In terms of regional revenue generation, most regions reported lower year-on-year revenue due to the global pandemic. Notable exceptions to this trend were India, Indonesia and Other Asian Countries, which experienced higher sales as compared to FY2020, attributable to the execution of various construction projects and sale of goods in these regions.

China's revenue contribution in FY2021 amounted to S\$22.4 million, an 11.3% decrease from the S\$25.3 million reported the previous financial year. Singapore contributed S\$5.3 million in FY2021, 20.7% less than the S\$6.7 million earned in FY2020. Revenue from the USA amounted to S\$3.7 million in FY2021, 38.0% less than the S\$5.9 million announced for FY2020, while revenue from the Middle East decreased 4.5% from S\$3 million in FY2020 to S\$2.9 million for FY2021. Rounding out the top five revenue generating regions, India reported S\$1.9 million in revenue for FY2021, representing a 454% increase on the S\$0.3 million reported in FY2020.

The Group did an impairment assessment of its long-lived assets in FY2021 and recorded impairment losses on investment in an associate of \$\$108,000 in other gains and losses. As of 31 December 2021, the Group carried out an impairment assessment of its goodwill, property, plant and equipment and right-of-use assets attributable to Advanced CAE Pte Ltd ("CAE") cashgenerating unit ("CGU") due to uncertain global economic conditions and the existing challenging conditions surrounding the oil and gas industry. CAE CGU also incurred operating losses for the year ended 31 December 2021. Based on the assessment, the recoverable amounts of goodwill, property, plant and equipment and right-of-use assets allocated to CAE CGU was computed to be lower than carrying amounts. Impairment losses on goodwill, property, plant and equipment and right-of-use assets of \$176,000, \$66,000 and \$639,000 respectively were recorded in other gains and losses. A write down of \$534,000 was also recorded in other gains and losses in FY2021 on the remeasurement of the assets of the subsidiary, Analytical Technology & Control Ltd, which was disposed on 10 February 2022

Advanced reported a total comprehensive loss attributable to owners of the company of S\$2.0 million for FY2021, as opposed to the income of S\$3.3 million over the same period the previous year. The income recorded in the previous year was mainly attributable to the S\$6.5 million gain on disposal of ZMK in FY2020.

The Group's financial position remained healthy and the current ratio was at 2.0 as at 31 December 2021. The Group's outstanding order book as at 31 December 2021 was approximately \$\$53.1 million.

Outlook

The recovery of the global economy is hampered by the new Omicron COVID-19 variant. Global growth is expected to slow from 5.9% in 2021 to 4.4% in 2022. The new COVID-19 variant has been the cause of lockdowns in multiple countries resulting in disruptions to supply chains, which has led to increased inflation as a result of supply-demand imbalances.

The Organization of the Petroleum Exporting Countries (OPEC) forecasts oil demand for the World will rise by 4.15 million barrels per day (bpd) in 2022 based on a strong pandemic recovery. In February 2022, oil prices hit US\$ 94 a barrel, the highest level since October 2014. There is hope that this may translate to incremental real recovery in the industry.

With this uncertainty in mind, the Group will continue to be vigilant, tighten cost controls and maintain a cautious outlook for projects in the next 12 months.

Appendix A: Revenue breakdown by segment from operations

Revenue by Industry (S\$'m)	FY2021	FY2020	%Chg ¹
Petrochemicals & Chemicals	36.4	49.2	(26.1)
Oil & Gas	3.4	4.9	(30.3)
Iron & Steel	0.1	0.2	(39.8)
Others	1.8	4.8	(62.2)
Revenue by Geography (S\$'m)	FY2021	FY2020	%Chg ¹
China	22.4	25.3	(11.3)
Singapore	5.3	6.7	(20.7)
USA	3.7	5.9	(38.0)
Middle East	2.9	3.0	(4.5)
India	1.9	0.3	454.0
Other European Countries	1.4	3.7	(62.8)
South Korea	1.2	6.4	(81.6)
Indonesia	1.1	0.3	223.8
Other Asian Countries	0.8	0.1	459.6
Thailand	0.4	2.2	(84.0)
Others	0.3	0.7	(60.2)
Malaysia	0.2	0.2	1.4
Kazakhstan	0.2	2.8	(93.3)
Vietnam	0.0	0.9	(97.7)
Netherlands	0.0	0.3	(94.3)

¹ Any discrepancies in the percentages are due to rounding

About Advanced Holdings Ltd.

Founded in 1993, 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.

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 Catalist.

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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