

INCORPORATION OF A JOINT VENTURE COMPANY IN THE UNITED ARAB EMIRATES

The Board of Directors of Advanced Holdings Ltd. (the "**Company**") is pleased to announce that its wholly-owned subsidiary, Advanced Engineering Holdings Pte. Ltd. ("**AEH**"), has incorporated a joint venture company, Advanced CAE (ME) Control System LLC ("**Advanced CAE (ME)**"), in Abu Dhabi, the United Arab Emirates. The principal activity of Advanced CAE (ME) is the design, fabrication, installation and maintenance of measurement and control instrument. Advanced CAE (ME) Control System LLC has a share capital comprising 300 shares of AED 1,000 each.

Under the joint venture agreement, AEH holds 49% shareholding interest in Advanced CAE (ME) while the joint venture partner holds the remaining 51% of Advanced CAE (ME). Pursuant to the joint venture agreement, both parties have agreed to a separate formula for the sharing of profits and losses.

The cost of investment in Advanced CAE (ME) is AED 180,000, after taking into account the profits and losses sharing arrangements as stipulated in the joint venture agreement. The incorporation of Advanced CAE (ME) is not expected to have any material impact on the Group's earnings or the net assets for the financial year ending 31 December 2016.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above joint venture.

On behalf of the Board

Wong Kar King
Managing Director

24 March 2016