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FOR IMMEDIATE RELEASE

Advanced reports revenue of S$44.2 million in 1H2014; business and product development to increase competitive edge

- *Outstanding order book of approximately S$80 million as at 24 July 2014*
- *Maintains healthy cash holding of S$21.9 million*
- *Reports lower earnings due to increased efforts in sales, marketing and R&D*

For period ended 30 June

(in S$'m)	*1H2014 (6M)*	*1H2013 (6M)*	*Chg (%)[1]*
Revenue	*44.2*	*44.1*	*0.2*
Gross profit	11.6	11.2	3.2
Gross profit margin (%)	26.2	25.5	0.7 pts
Net profit attributable to shareholders	0.3	1.9	(84.2)
EPS (cents)[2]	0.1	0.62	(83.9)

1. *Any discrepancies in the percentages are due to rounding*
2. *EPS is based on 303,807,176 weighted average number of ordinary shares*

SINGAPORE – 7 August 2014 – Advanced Holdings Ltd. ("Advanced" or the "Group"), a global supplier of proprietary process equipment and technologies, clean energy solutions and environmental technologies, today announced a slight increase in revenue to S$44.2 million for six months ended 30 June ("**1H2014**"). Gross profit of the Group rose 3.2% to S$11.6 million with an 0.7 percentage point improvement in margin to 26.2% compared to the corresponding period a year ago ("**1H2013**").

Despite its stable topline performance, net profit attributable to shareholders was trimmed by 84.2% to S$0.3 million. This was due to the Group's on-going product development efforts and a strengthening of its sales and marketing efforts as part of its ongoing efforts to enhance its competitive edge in the market.

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As a result, Other Operating Expenses of the Group, comprising largely R&D expenses, rose 70.1% to S$1.3 million in 1H2014. At the same time, Distribution and Marketing Costs increased 29.6% to S$4.9 million from intensified sales and marketing activities that included higher staff costs, training and commissions paid for a number of projects.

Notwithstanding the increased costs, the Group's financial position remained healthy with a cash holding of S$21.9 million as of 30 June 2014.

The Group's Earnings Per Share for 1H2014 decreased to 0.10 cents from 0.62 cents the year before, based on an average number of 303,807,176 shares. Net Asset Value per share as at 30 June 2014 was 23.65 cents, down from 24.49 cents as at 31 December 2013.

<u>Looking ahead</u>

The International Monetary Fund ("IMF") recently lowered its global growth forecast for 2014 to 3.4% from 3.7% because of weaknesses in the USA and China economies with the growth forecast for China lowered to 7.4% from 7.6%[1]. Coupled with an uncertain economic recovery outlook for the Eurozone and USA, the Group will be mindful of the challenges faced by its subsidiaries in these regions to grow market demand.

Said Dr Kar Wong, Managing Director of the Group, "We will continue to manage business costs and improve operational efficiencies to stay competitive in addition to our efforts to enhance our business and technologies through business and product development activities, investments and joint venture arrangements within the industry and new market segments. With these foundations in place, the Group is well-positioned to tap into new markets and market segments in the longer-term."

<u>Order book</u>

The order book of the Group was S$71.6 million as at 30 June 2014. Subsequently, the Group has secured additional projects worth around S$9 million, boosting its order book as at 24 July 2014 to approximately S$80 million.

[1] IMF, "World Economic Outlook Update: An Uneven Global Recovery Remains", 24 July 2014

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Appendix A: Revenue breakdown by segment

Revenue by Industry (S$'m)	1H2014	1H 2013	% Chg[1]
Oil and Gas	18.8	20.8	(9.7)
Petrochemicals and Chemicals	21.2	19.7	7.4
Others	4.2	3.6	17.7
Revenue by Geography (S$'m)	**1H 2014**	**1H 2013**	**% Chg**
China	25.7	16.5	55.8
Other Asian Countries	13.7	20.7	(33.7)
Europe and USA	3.3	2.6	28.1
Others	1.5	4.3	(64.8)

About Advanced Holdings Ltd.

*Founded in 1993, SGX Mainboard-listed Advanced is a specialist company with three key business areas encompassing 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 and USA.*

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