



ALLIED TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Registration Number 199004310E)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Introduction

Allied Technologies Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the Watch-List pursuant to Rule 1311 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 5 March 2014.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the “**Board**”) wishes to provide an update on the financial situation of the Company and the Group for the third quarter ended 30 September 2014 (“**3Q 2014**”).

Update on Unaudited Financial Performance and Financial Position

For 3Q 2014 and the 9 months ended 30 September 2014 (“**9M 2014**”), the Group recorded an unaudited net profit of S\$0.2 million and net loss of S\$0.8 million, respectively, compared to the net profit of S\$5.6 million and S\$0.7 million in the corresponding periods of the immediately preceding financial year. However, included in the net profit in the corresponding periods of the immediately preceding financial year was a significant gain from the disposal of property, land and equipment of S\$8.3 million.

Compared to the third quarter ended 30 September 2013, the Group managed to reduce its staff costs and other operating expenses significantly. The Group achieved this by implementing various cost cutting measures and improving work processes. Notwithstanding the foregoing, high production and labour costs amid a high-inflationary business environment and rigorous pricing pressures from customers remain, and are the main causes for the Group’s net loss position for 9M 2014.

The Group’s net assets have decreased by S\$4.6 million to S\$67.5 million (as at 30 September 2014). This decrease is attributable to the net loss for the period under review, the payment of dividends and the unfavourable translation of reserves caused by the weakening of the Renminbi against the Singapore Dollar.

For more details on the results and financial situation of the Group for 3Q 2014, please refer to our financial statement for the period ended 30 September 2014 released on 10 November 2014.

Update on Future Direction

With continuing uncertainty over the strength and sustainability of the economic recovery of the major global economies, the Group expects business conditions to remain challenging.

The Group expects to face more challenges ahead due to financial uncertainties which exist globally. However, the Group will continue to explore all avenues for business opportunities to further improve the financial position of the Group. The Group will also endeavor to improve its production efficiency and reduce operating costs.

Other Material Developments

On 18 March 2014, the Group announced the incorporation of a wholly-owned subsidiary in Thailand. Its principal activities are the manufacturing of metal stamped parts, tools and dies, sub-assembly of mechanical components, plastic injection moulding and manufacturing of plastic parts.

The Company will update shareholders on any other material developments and will make such necessary announcements as and when appropriate.

BY ORDER OF THE BOARD

Hsu Ching Yuh @ Sheu Ching Yuh
Chief Executive Officer and Group Managing Director

10 November 2014