



## ALLIED TECHNOLOGIES LIMITED

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

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

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#### **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 fourth quarter ended 31 December 2016 (“**4Q FY2016**”).

#### **Update on Unaudited Financial Performance and Financial Position**

In 4Q FY2016 and the year ended 31 December 2016 (“**12M FY2016**”) respectively, the Group recorded an unaudited net profit of S\$3.34 million and S\$2.21 million, compared to the net profit of S\$1.20 million and S\$0.33 million in 4Q FY2015 and 12M FY2015 respectively. The improved result achieved by the Group in 12M FY2016 is mainly contributed by the increase in revenue as well as the gain arising from the disposal of AMSH (as defined below) and TCSF (as defined below) amounting to S\$1.20 million.

The Group’s net assets as at 31 December 2016 had increased by S\$0.53 million to S\$64.43 million as compared to 31 December 2015. The increase is mainly attributable to the profit generated by the Group in 12M FY2016 and partially offset by the adverse translation differences relating to the financial statements of the Group’s foreign subsidiaries.

For more details on the results and financial position of the Group for the year ended 31 December 2016, please refer to our separate announcement released on 24 February 2017.

#### **Update on Future Direction**

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

The Group expects to face more challenges ahead due to the increase in production costs across the region, stiff pricing competition and foreign currency movements. 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 endeavour to improve its production efficiency and reduce its operating costs.

#### **Other Material Developments**

On 17 March 2016, the Company received a notification from the SGX-ST that the SGX-ST had granted the Company a 12-month extension until 1 March 2017 to meet the requirements of Rule 1314 of the Listing Manual for exit from the Watch-List.

On 2 June 2016, the Company had entered into the following agreements:

- (a) a sale and purchase agreement ("**TCSF SPA**") with Carapace Daybreak Ltd. (the "**Purchaser**") as the purchaser in respect of the proposed transaction in which the Company will be selling to the Purchaser the entire equity interest of Taicang Shanfeng Hardware Co., Ltd. ("**TCSF**") comprising a registered capital of USD 1,500,000 (the "**TCSF Equity**") on the terms of the TCSF SPA (the "**TCSF Transaction**"); and
- (b) a sale and purchase agreement ("**AMSH SPA**") with the Purchaser in respect of the proposed transaction in which the Company will be selling to the Purchaser the entire equity interest of Allied Machineries (Shanghai) Co., Ltd. ("**AMSH**") comprising a registered capital of USD 9,010,000 (the "**AMSH Equity**") on the terms of the AMSH SPA (the "**AMSH Transaction**").

Both the TCSF Transaction and AMSH Transaction had been approved by the shareholders of the Company ("**Shareholders**") during the Extraordinary General Meeting ("**EGM**") held on 8 August 2016 and the Long Stop Date had been extended to 30 November 2016. The AMSH Transaction and the TCSF Transaction were completed on 29 November 2016.

On 1 July 2016, the Company had announced that the non-binding memorandum of understanding entered into with Cairnhill Treasure Investment (S) Pte. Ltd. and Tan Boon Kian on 1 December 2015, in relation to a proposed investment by the Company in Maxz Universal Development Group Private Limited (the "**MOU**") had lapsed and there had been no extension of the term of the MOU.

On 13 September 2016, the Company had incorporated a new subsidiary in Malaysia, namely Allied Precision Technologies (M) Sdn Bhd ("**APT**") and subsequently increased the share capital to RM2,700,000 on 22 December 2016.

On 14 September 2016, APTM entered into six (6) Sales and Purchase Agreements to acquire six (6) parcels of freehold land located at Mukim Tanjong Minyak, Melaka Tengah, Melaka, Malaysia for its operational use.

On 28 November 2016, the Company's wholly-owned subsidiary in Malaysia, known as Allied Precision Manufacturing (M) Sdn Bhd ("**APM**") increased its issued and paid up capital from RM500,000 to RM5,000,000 by way of partial capitalisation of existing intercompany balances owed by APM to the Company.

On 1 December 2016, the Company announced its intention to transfer listing from the Mainboard of the SGX-ST to the Catalist Board of the SGX-ST, the sponsor-supervised listing platform of the SGX-ST (the "**Proposed Transfer**") subject to, *inter alia*, the following:

- (a) the approval of Shareholders for the Proposed Transfer at an EGM to be convened; and
- (b) the in-principle approval of the SGX-ST for the Proposed Transfer.

On 13 February 2017, the Company had obtained the approval in-principle from the SGX-ST subject to the conditions stated on the announcement made on the same date. The Board has proposed to appoint CIMB Bank Berhad, Singapore Branch as the Company's continuing sponsor, subject to the Proposed Transfer taking effect.

A circular to the Shareholders setting out, *inter alia*, further details of the Proposed Transfer, together with a notice convening the EGM, will be despatched to the Shareholders in due course.

The Company will update Shareholders on any other subsequent 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  
24 February 2017