



ALLIED TECHNOLOGIES LIMITED

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

CLARIFICATION ON DIFFERENCES BETWEEN AUDITED FINANCIAL RESULTS AND UNAUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Board of Directors (the “**Board**”) of Allied Technologies Limited (the “**Company**” together with all its subsidiaries, collectively the “**Group**”) refers to the Company’s announcement on unaudited financial results for the financial year ended 31 December 2016 (“**FY2016**”) dated 24 February 2017.

Pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, the Board wishes to clarify the differences between the audited financial results and the unaudited financial results of the Group for the financial year ended 31 December 2016.

Please refer to **Annex A** for an explanation of the differences.

BY ORDER OF THE BOARD

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

29 March 2017

A comparison of audited results and unaudited results for the financial year ended 31 December 2016 is set out as below:

	Audited	Group Unaudited	Differences
	12M FY16 S\$'000	12 months ended 12M FY16 S\$'000	12M FY16 S\$'000
Revenue	123,866	123,866	-
Other income	3,271	3,271	-
Total revenue	127,137	127,137	-
Change in inventories of finished goods and work-in-progress	(1,849)	(1,849)	-
Raw materials and consumables used	(77,002)	(77,002)	-
Depreciation expenses	(3,910)	(3,910)	-
Amortisation expenses	(19)	(19)	-
Staff costs	(23,920)	(23,920)	-
Other operating expenses	(18,504)	(17,651)	(853) Note 1
Total operating expenses	(125,204)	(124,351)	(853)
Profit from operating activities	1,933	2,786	(853)
Interest on borrowings	(380)	(380)	-
Profit before income tax	1,553	2,406	(853)
Income tax			
- current year	-	-	-
- prior year	(62)	(62)	-
- deferred tax	(131)	(131)	-
	(193)	(193)	-
Profit after income tax	1,360	2,213	(853)
Attributable to: Equity holders of the Company	1,360	2,213	(853)
Statement of comprehensive income			
Profit after income tax	1,360	2,213	(853)
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Translation differences relating to financial statements of foreign subsidiaries	(1,415)	(1,415)	-
<i>Item that will not be reclassified to profit or loss:</i>			
Translation differences arising from disposal of subsidiaries	(272)	(272)	-
Total comprehensive income for the period	(327)	526	(853)
Attributable to equity holders of the Company	(327)	526	(853)

CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2016

	Audited 31/12/16 S\$'000	GROUP Unaudited 31/12/16 S\$'000	Differences 31/12/16 S\$'000	
Non-current assets				
Intangible assets	150	150	-	
Property, plant and equipment	35,609	35,609	-	
Investment property	-	-	-	
Deferred tax assets	477	477	-	
Other investments	2,205	2,205	-	
Other debtors	12,431	12,431	-	
Prepayments	1,680	1,680	-	
	<u>52,552</u>	<u>52,552</u>	<u>-</u>	
Current assets				
Inventories	12,610	11,739	871	Note 2
Amounts due from subsidiaries	-	-	-	
Trade debtors	33,299	33,299	-	
Other debtors	9,950	10,857	(907)	Note 1 and 3
Prepayments and advances to suppliers	721	721	-	
Income tax recoverable	4	4	-	
Fixed deposits (pledged)	1,096	1,096	-	
Cash and bank balances	13,939	13,939	-	
	<u>71,619</u>	<u>71,655</u>	<u>(36)</u>	
Current liabilities				
Trade creditors	31,945	31,074	871	Note 2
Hire purchase creditor	8	8	-	
Other creditors and accruals	8,292	8,346	(54)	Note 3
Deferred compensation income	491	491	-	
Amounts due to bankers	5,688	5,688	-	
	<u>46,424</u>	<u>45,607</u>	<u>817</u>	
Net current assets	25,195	26,048	(853)	
Non-current liabilities				
Accruals and provision	2,201	2,201	-	
Hire purchase creditor	4	4	-	
Deferred compensation income	8,105	8,105	-	
Amounts due to bankers	-	-	-	
Deferred tax liabilities	3,863	3,863	-	
	<u>14,173</u>	<u>14,173</u>	<u>-</u>	
TOTAL NET ASSETS	<u>63,574</u>	<u>64,427</u>	<u>(853)</u>	
Equity attributable to equity holders of the Company				
Share capital	57,337	57,337	-	
Foreign currency translation reserve	1,050	1,050	-	
Statutory reserve fund	1,938	1,938	-	
Other reserves	189	189	-	
Retained earnings	3,060	3,913	(853)	Note 1
TOTAL EQUITY	<u>63,574</u>	<u>64,427</u>	<u>(853)</u>	

CONSOLIDATED CASH FLOW STATEMENT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Audited S\$'000	Group Unaudited S\$'000	Differences S\$'000	
Cash flows from operating activities				
Profit before income tax	1,553	2,406	(853)	Note 1
Adjustments for:				
Gain on disposal of property, plant and equipment	(182)	(182)	-	
Depreciation of property, plant and equipment and investment property	3,910	3,910	-	
Amortisation of intangible assets	19	19	-	
Gain on disposal of subsidiaries	(1,198)	(1,198)	-	
Amortisation of deferred interest income	(22)	(22)	-	
Amortisation of deferred compensation income	(491)	(491)	-	
Interest income	(40)	(40)	-	
Interest expense	381	381	-	
Dividend income from other investments	(87)	-	(87)	Note 4
Currency realignment	(100)	(100)	-	
Operating profit before working capital changes	3,743	4,683	(940)	
Increase in inventories	(1,870)	(999)	(871)	Note 2
Increase in trade debtors and other debtors	(9,803)	(10,710)	907	Note 1 and 3
Increase in trade creditors and other creditors	14,491	13,674	817	Note 2 and 3
Cash generated from/(used in) operations	6,561	6,648	(87)	
Interest paid	(381)	(381)	-	
Interest received	40	40	-	
Tax paid	-	-	-	
Net cash generated from operating activities	6,220	6,307	(87)	
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	195	195	-	
Net cash outflow on disposal of subsidiaries	(373)	(373)	-	
Purchase of property, plant and equipment	(2,656)	(4,357)	1,701	Note 5
Prepayment for purchase of land	(1,701)	-	(1,701)	Note 5
Dividend receipt from other investments	87	-	87	Note 4
Net cash used in investing activities	(4,448)	(4,535)	87	
Cash flows from financing activities				
Net (decrease)/increase in hire purchase creditors	(8)	(8)	-	
Drawdown of bank borrowings	13,603	13,603	-	
Repayment of bank borrowings	(16,503)	(16,503)	-	
Increase in pledged fixed deposit	(500)	(500)	-	
Net cash used in financing activities	(3,408)	(3,408)	-	
Net decrease in cash and cash equivalents	(1,636)	(1,636)	-	
Cash and cash equivalents at beginning of period	15,514	15,514	-	
Effects of exchange rates on opening cash and cash equivalents	61	61	-	
Cash and cash equivalents at end of period	13,939	13,939	-	

Explanatory Note:

Note 1

The difference is due to allowance for sundry debtors amounting to S\$853k, where the recoverability is doubtful.

Note 2

The difference is due to accruals of goods in transit and its corresponding liability.

Note 3

The difference is due to presentation of input and output GST on a net basis (net GST payable) of the Group and Company.

Note 4

Being presentation of dividend income, received from other investment of S\$87k, under investing activities in the consolidated cash flow statement, previously presented under operating activities.

Note 5

Being presentation of prepayment for purchase of land separately from purchase of property, plant and equipment.