



# ALLIED TECHNOLOGIES LIMITED

## Financial Statement for the period ended 31 December 2016

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1 (a) An income statement and statement of comprehensive income (for the issuer and group) together with a comparative statement for the corresponding period of the immediately preceding financial period.

	GROUP					
	3 months ended			12 months ended		
	4Q FY16 S\$'000	4Q FY15 S\$'000	+/(-) %	12M FY16 S\$'000	12M FY15 S\$'000	+/(-) %
Revenue	34,070	32,932	3%	123,866	120,069	3%
Other income	1,822	193	>100%	3,271	1,274	>100%
<b>Total revenue</b>	<b>35,892</b>	<b>33,125</b>	<b>8%</b>	<b>127,137</b>	<b>121,343</b>	<b>5%</b>
Change in inventories of finished goods and work-in-progress	276	1,619	(83%)	(1,849)	100	(>100%)
Raw materials and consumables used	(21,311)	(22,123)	(4%)	(77,002)	(74,901)	3%
Depreciation expenses	(809)	(1,137)	(29%)	(3,910)	(4,961)	(21%)
Amortisation expenses	(5)	(5)	0%	(19)	(19)	0%
Staff costs	(6,408)	(5,631)	14%	(23,920)	(22,448)	7%
Other operating expenses	(4,016)	(4,597)	(13%)	(17,651)	(18,164)	(3%)
<b>Total operating expenses</b>	<b>(32,273)</b>	<b>(31,874)</b>	<b>1%</b>	<b>(124,351)</b>	<b>(120,393)</b>	<b>3%</b>
<b>Profit from operating activities</b>	<b>3,619</b>	<b>1,251</b>	<b>&gt;100%</b>	<b>2,786</b>	<b>950</b>	<b>&gt;100%</b>
Interest on borrowings	(84)	(81)	4%	(380)	(227)	67%
<b>Profit before income tax</b>	<b>3,535</b>	<b>1,170</b>	<b>&gt;100%</b>	<b>2,406</b>	<b>723</b>	<b>&gt;100%</b>
<b>Income tax</b>						
- current year	-	94	(100%)	-	(24)	(100%)
- prior year	(62)	-	n.m	(62)	(2)	>100%
- deferred tax	(131)	(67)	96%	(131)	(370)	(65%)
	(193)	27	(>100%)	(193)	(396)	(51%)
<b>Profit after income tax</b>	<b>3,342</b>	<b>1,197</b>	<b>&gt;100%</b>	<b>2,213</b>	<b>327</b>	<b>&gt;100%</b>
Attributable to:						
Equity holders of the Company	<b>3,342</b>	<b>1,197</b>	<b>&gt;100%</b>	<b>2,213</b>	<b>327</b>	<b>&gt;100%</b>
<b>Statement of comprehensive income</b>						
<b>Profit after income tax</b>	<b>3,342</b>	<b>1,197</b>	<b>&gt;100%</b>	<b>2,213</b>	<b>327</b>	<b>&gt;100%</b>
<b>Other comprehensive income:</b>						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Translation differences relating to financial statements of foreign subsidiaries	977	(1,076)	(>100%)	(1,415)	1,754	(>100%)
<i>Item that will not be reclassified to profit or loss:</i>						
Translation differences arising from disposal of subsidiaries	(272)	-	n.m	(272)	-	n.m
<b>Total comprehensive income for the period</b>	<b>4,047</b>	<b>121</b>	<b>&gt;100%</b>	<b>526</b>	<b>2,081</b>	<b>(75%)</b>
Attributable to equity holders of the Company	<b>4,047</b>	<b>121</b>	<b>&gt;100%</b>	<b>526</b>	<b>2,081</b>	<b>(75%)</b>

**1 (a) An income statement and statement of comprehensive income (for the issuer and group) together with a comparative statement for the corresponding period of the immediately preceding financial period. (continued)**

**Notes:**

- (i) n.m. - not meaningful
- (ii) Profit before income tax is arrived at after (crediting)/charging the followings:

	<b>GROUP</b>			
	<b>4Q FY 16</b>	<b>4Q FY 15</b>	<b>12M FY 16</b>	<b>12M FY 15</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>(a) Raw materials and consumables used:</b>				
(Write-back of)/allowance for inventory obsolescence	(126)	(21)	(29)	(870)
Inventories written off	-	18	-	253
<b>(b) Other income:</b>				
Interest income	(11)	(12)	(40)	(42)
Gain on disposal of property, plant and equipment	-	(3)	(182)	(397)
Gain on disposal of subsidiaries	(1,198)	-	(1,198)	-
Amortisation of deferred compensation income	(121)	(131)	(491)	(517)
Rental income	(95)	(17)	(309)	(121)
<b>(c) Operating profit is stated after (crediting)/charging:</b>				
(Write-back of)/allowance for impairment on trade debtors	(572)	368	(318)	525
Foreign exchange (gains)/losses	(397)	(32)	125	(42)

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	GROUP		COMPANY	
	31/12/16	31/12/15	31/12/16	31/12/15
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Intangible assets	150	165	10	24
Property, plant and equipment	35,609	47,531	32	46
Investment property	-	4,363	-	-
Investment in subsidiaries	-	-	21,919	34,515
Loan receivables from subsidiaries	-	-	17,916	19,116
Deferred tax assets	477	888	-	-
Other investments	2,205	2,205	2,081	2,081
Other debtors	12,431	-	10,405	-
Prepayments	1,680	-	-	-
Fixed deposits (pledged)	-	341	-	341
	<u>52,552</u>	<u>55,493</u>	<u>52,363</u>	<u>56,123</u>
<b>Current assets</b>				
Inventories	11,739	12,849	-	-
Amounts due from subsidiaries	-	-	4,685	10,517
Trade debtors	33,299	37,784	1,550	1,690
Other debtors	10,857	4,728	5,923	1,445
Prepayments and advances to suppliers	721	719	37	41
Income tax recoverable	4	68	-	-
Fixed deposits (pledged)	1,096	660	348	-
Cash and bank balances	13,939	15,514	1,108	958
	<u>71,655</u>	<u>72,322</u>	<u>13,651</u>	<u>14,651</u>
<b>Current liabilities</b>				
Trade creditors	31,074	31,077	763	83
Hire purchase creditor	8	8	-	-
Other creditors and accruals	8,346	9,126	3,079	3,277
Deferred compensation income	491	515	-	-
Amounts due to bankers	5,688	9,595	267	3,359
Income tax payable	-	-	-	-
	<u>45,607</u>	<u>50,321</u>	<u>4,109</u>	<u>6,719</u>
<b>Net current assets</b>	26,048	22,001	9,542	7,932
<b>Non-current liabilities</b>				
Accruals and provision	2,201	-	1,842	-
Hire purchase creditor	4	12	-	-
Deferred compensation income	8,105	9,018	-	-
Amounts due to bankers	-	262	-	262
Deferred tax liabilities	3,863	4,301	-	-
	<u>14,173</u>	<u>13,593</u>	<u>1,842</u>	<u>262</u>
<b>TOTAL NET ASSETS</b>	<u>64,427</u>	<u>63,901</u>	<u>60,063</u>	<u>63,793</u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	57,337	57,337	57,337	57,337
Foreign currency translation reserve	1,050	2,737	-	-
Statutory reserve fund	1,938	4,889	-	-
Other reserves	189	189	189	189
Retained earnings/(losses)	3,913	(1,251)	2,537	6,267
<b>TOTAL EQUITY</b>	<u>64,427</u>	<u>63,901</u>	<u>60,063</u>	<u>63,793</u>

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year. (continued)**

**Disposal of subsidiaries**

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**").

The completion of the TCSF Transaction and the completion of the AMSH Transaction are to be concurrent and inter-conditional upon the completion of each other (*this condition may not be waived*).

Both the TCSF Transaction and AMSH Transaction had been approved by the shareholders of the Company during the Extraordinary General Meeting held on 8 August 2016 and was completed on 29 November 2016 (collectively the "**Disposal Transaction**")

	<b>TCSF and AMSH</b> <b>S\$'000</b>
Property, plant and equipment	9,041
Investment property	4,077
Inventories	1,959
Trade and other debtors	6,095
Cash and bank deposits	1,787
	<hr/> 22,959
Trade and other creditors	(13,996)
Loans and borrowings	(1,078)
	<hr/> 7,885
Total consideration	9,359

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 31 December 2016		As at 31 December 2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
5,696	-	9,603	-

**Amount repayable after one year**

As at 31 December 2016		As at 31 December 2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
4	-	274	-

**Details of any collateral**

The Group's borrowings comprise of hire purchase creditor and amounts due to bankers.

The hire purchase creditor relates to an asset of the Company's subsidiary which is financed under hire purchase.

The amounts due to bankers are secured facilities granted to the Company and its subsidiaries (collectively, the "Group"). The secured facilities granted are secured by:

- (1) fixed deposits placement by the Company and its respective subsidiaries;
- (2) a leasehold land and properties of the respective subsidiaries; and
- (3) an agreed amount of corporate guarantee provided by the Company.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated cash flow statement for the period ended 31 December**

	3 months ended		12 months ended	
	4Q FY16	4Q FY15	12M FY16	12M FY15
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	3,535	1,170	2,406	723
Adjustments for:				
Gain on disposal of property, plant and equipment	-	(3)	(182)	(397)
Depreciation of property, plant and equipment and investment property	809	1,137	3,910	4,961
Amortisation of intangible assets	5	5	19	19
Gain on disposal of subsidiaries	(1,198)	-	(1,198)	-
Amortisation of deferred interest income	(22)	-	(22)	-
Amortisation of deferred compensation income	(121)	(131)	(491)	(517)
Interest income	(11)	(12)	(40)	(42)
Interest expense	85	81	381	227
Currency realignment	(533)	(967)	(100)	1,044
<b>Operating profit before working capital changes</b>	<b>2,549</b>	<b>1,280</b>	<b>4,683</b>	<b>6,018</b>
(Increase)/decrease in inventories	(3,404)	(2,575)	(999)	(3,661)
Increase in trade debtors and other debtors	(10,627)	(1,961)	(10,710)	(5,499)
Increase in trade creditors and other creditors	17,326	2,628	13,674	2,956
Cash generated from/(used in) operations	5,844	(628)	6,648	(186)
Interest paid	(85)	(81)	(381)	(227)
Interest received	11	12	40	42
Tax paid	(2)	-	-	(293)
<b>Net cash generated from/(used in) operating activities</b>	<b>5,768</b>	<b>(697)</b>	<b>6,307</b>	<b>(664)</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	-	248	195	859
Net cash outflow on disposal of subsidiaries	(373)	-	(373)	-
Purchase of property, plant and equipment	(2,528)	(373)	(4,357)	(961)
<b>Net cash used in investing activities</b>	<b>(2,901)</b>	<b>(125)</b>	<b>(4,535)</b>	<b>(102)</b>
<b>Cash flows from financing activities</b>				
Net (decrease)/increase in hire purchase creditors	(2)	(2)	(8)	20
Decrease in amount due to director	-	-	-	(600)
Drawdown of bank borrowings	3,126	7,015	13,603	15,781
Repayment of bank borrowings	(5,790)	(3,646)	(16,503)	(8,565)
Increase in pledged fixed deposit	-	(465)	(500)	(684)
<b>Net cash (used in)/generated from financing activities</b>	<b>(2,666)</b>	<b>2,902</b>	<b>(3,408)</b>	<b>5,952</b>
Net increase/(decrease) in cash and cash equivalents	201	2,080	(1,636)	5,186
Cash and cash equivalents at beginning of period	13,057	12,865	15,514	10,256
Effects of exchange rates on opening cash and cash equivalents	681	569	61	72
<b>Cash and cash equivalents at end of period</b>	<b>13,939</b>	<b>15,514</b>	<b>13,939</b>	<b>15,514</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.**

**Consolidated Statement of Changes in Shareholders' Equity for the period ended 31 December  
(In S\$'000)**

	Ordinary shares	Exchange translation reserve	Statutory reserve fund	Other reserves	Retained (losses)/ earnings	Total shareholders' equity
<b>Group</b>						
<b>Balance as at 1 January 2016</b>	57,337	2,737	4,889	189	(1,251)	63,901
Total comprehensive income for the period	-	(2,229)	-	-	(1,172)	(3,401)
<b>Balance as at 31 March 2016</b>	<b>57,337</b>	<b>508</b>	<b>4,889</b>	<b>189</b>	<b>(2,423)</b>	<b>60,500</b>
Total comprehensive income for the period	-	(817)	-	-	(636)	(1,453)
<b>Balance as at 30 June 2016</b>	<b>57,337</b>	<b>(309)</b>	<b>4,889</b>	<b>189</b>	<b>(3,059)</b>	<b>59,047</b>
Total comprehensive income for the period	-	654	-	-	679	1,333
<b>Balance as at 30 September 2016</b>	<b>57,337</b>	<b>345</b>	<b>4,889</b>	<b>189</b>	<b>(2,380)</b>	<b>60,380</b>
Total comprehensive income for the period	-	705	(2,951)	-	6,293	4,047
<b>Balance as at 31 December 2016</b>	<b>57,337</b>	<b>1,050</b>	<b>1,938</b>	<b>189</b>	<b>3,913</b>	<b>64,427</b>
 <b>Balance as at 1 January 2015</b>	 57,337	 983	 4,889	 189	 (1,578)	 61,820
Total comprehensive income for the period	-	1,413	-	-	145	1,558
<b>Balance as at 31 March 2015</b>	<b>57,337</b>	<b>2,396</b>	<b>4,889</b>	<b>189</b>	<b>(1,433)</b>	<b>63,378</b>
Total comprehensive income for the period	-	(630)	-	-	(1,254)	(1,884)
<b>Balance as at 30 June 2015</b>	<b>57,337</b>	<b>1,766</b>	<b>4,889</b>	<b>189</b>	<b>(2,687)</b>	<b>61,494</b>
Total comprehensive income for the period	-	2,047	-	-	239	2,286
<b>Balance as at 30 September 2015</b>	<b>57,337</b>	<b>3,813</b>	<b>4,889</b>	<b>189</b>	<b>(2,448)</b>	<b>63,780</b>
Total comprehensive income for the period	-	(1,076)	-	-	1,197	121
<b>Balance as at 31 December 2015</b>	<b>57,337</b>	<b>2,737</b>	<b>4,889</b>	<b>189</b>	<b>(1,251)</b>	<b>63,901</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period. (continued)**

(In S\$'000)

	Ordinary shares	Other reserve	Retained earnings	Total shareholders' equity
<b><u>Company</u></b>				
<b>Balance as at 1 January 2016</b>	57,337	189	6,267	63,793
Total comprehensive income for the period	-	-	(1,948)	(1,948)
<b>Balance as at 31 March 2016</b>	<b>57,337</b>	<b>189</b>	<b>4,319</b>	<b>61,845</b>
Total comprehensive income for the period	-	-	(436)	(436)
<b>Balance as at 30 June 2016</b>	<b>57,337</b>	<b>189</b>	<b>3,883</b>	<b>61,409</b>
Total comprehensive income for the period	-	-	1,039	1,039
<b>Balance as at 30 September 2016</b>	<b>57,337</b>	<b>189</b>	<b>4,922</b>	<b>62,448</b>
Total comprehensive income for the period	-	-	(2,385)	(2,385)
<b>Balance as at 31 December 2016</b>	<b>57,337</b>	<b>189</b>	<b>2,537</b>	<b>60,063</b>
<b>Balance as at 1 January 2015</b>	57,337	189	5,104	62,630
Total comprehensive income for the period	-	-	1,078	1,078
<b>Balance as at 31 March 2015</b>	<b>57,337</b>	<b>189</b>	<b>6,182</b>	<b>63,708</b>
Total comprehensive income for the period	-	-	(1,770)	(1,770)
<b>Balance as at 30 June 2015</b>	<b>57,337</b>	<b>189</b>	<b>4,412</b>	<b>61,938</b>
Total comprehensive income for the period	-	-	2,146	2,146
<b>Balance as at 30 September 2015</b>	<b>57,337</b>	<b>189</b>	<b>6,558</b>	<b>64,084</b>
Total comprehensive income for the period	-	-	(291)	(291)
<b>Balance as at 31 December 2015</b>	<b>57,337</b>	<b>189</b>	<b>6,267</b>	<b>63,793</b>



- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The share options to subscribe to the entire 1,464,000 unissued shares under the Company's Employee Share Option Scheme had expired on 30 June 2015.

- 1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>31 December 2016</b>	<b>31 December 2015</b>
Total number of issued shares ('000) (excluding treasury shares)	675,164	675,164

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save for the adoption of the new and revised Financial Reporting Standards, which came into effect at the beginning of this financial year on 1 January 2016, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared to those applied in the audited financial statements for the financial year ended 31 December 2015. The adoption of the new and revised Financial Reporting Standards will not give rise to any significant change to the financial statements.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

**6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

**Earnings Per Share**

	3 months ended		12 months ended	
	<u>4Q FY16</u>	<u>4Q FY15</u>	<u>12M FY16</u>	<u>12M FY15</u>
	Basic /	Basic /	Basic /	Basic /
	Diluted *	Diluted *	Diluted *	Diluted *
<u>Earnings (\$'000)</u>				
The Group				
Profit attributable to equity holders of the Company	3,342	1,197	2,213	327
Profit per share (cents)				
- Basic and diluted	0.49	0.18	0.33	0.05

\*employees' share option are anti-dilutive

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

**Net asset value per ordinary share**

	Group		Company	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Net asset value per ordinary share based on issued share capital at end of the period (in cents)	9.54	9.46	8.90	9.45
Net asset value as at end of period (\$'000)	64,427	63,901	60,063	63,793
No. of ordinary shares ('000)	675,164	675,164	675,164	675,164

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**a. Revenue**

In 4Q FY2016 and 12M FY2016, the Group recorded an increase in its revenue of S\$1.14 million and S\$3.80 million respectively as compared to that in 4Q FY2015 and 12M FY2015. The increase is mainly contributed by the Company's overseas subsidiaries located in Vietnam, Malaysia and Thailand.

The Company's Vietnam subsidiary achieved a 25% increase in revenue in 4Q FY2016 as compared to 4Q FY2015. This is largely due to the increase of sales orders received from its existing main customers. With the constant increase of its revenue since the previous quarters, the full year revenue of Vietnam subsidiary in 12M FY2016 rose from S\$40.04 million to S\$46.70 million.

As for the Malaysia subsidiary, it recorded an increase in revenue in both 4Q FY2016 and 12M FY2016 as compared to the previous periods. This is mainly due to the new projects awarded by the main existing customers in FY2016. The total revenue for Malaysia subsidiary increased from S\$7.18 million to S\$11.51 million in 12M FY2016.

During the year, Thailand subsidiary's revenue increased from S\$2.97 million in 12M FY2015 to \$5.64 million in 12M FY2016 as a result of increased orders received from its existing main customer.

On the other hand, the largest revenue contributor of the Group – China region, which contributed 43.5% of the Group's total revenue, recorded a decrease in revenue as compared to in 12M FY2015. This was mainly due to the disposal of AMSH and TCSF in 4Q FY2016 and the cessation of operations of the Dongguan subsidiary in mid of 3Q FY2015. However, the decrease is partially offset by the increase in revenue achieved by Suzhou in 12M FY2016.

Overall in FY2016, the Group recorded a total revenue of S\$123.87 million which is 3% higher than that of FY2015. This is mainly attributed to the subsidiaries located in Vietnam, which contributed 37.7% of the Group's revenue in FY2016.

Other income of the Group comprises mainly of rental income, interest income, amortisation of deferred compensation income, gain on disposal of property, plant and equipment ("**PPE**") and gain on disposal of subsidiaries. Other income of the Group is higher than that in 4Q FY2015 and 12M FY2015 by S\$1.63 million and S\$2.00 million respectively. This is mainly due to the gain on disposal of AMSH and TCSF of S\$1.20 million recorded by the Group and rental income generated by TCSF.

## **b. Operating results**

### Overall

The Group recorded a higher profit before interest and tax ("**PBIT**") of S\$3.62 million and S\$2.79 million in 4Q FY2016 and 12M FY2016 respectively, compared to in 4Q FY2015 and 12M FY2015.

The higher PBIT recorded is primarily fueled by the increase in the total revenue recorded by the Group, representing a 7% and 5% increase in 4Q FY2016 and 12M FY2016 respectively. Besides, the higher PBIT is also contributed by lower depreciation expenses and other operating expenses incurred by the Group as a result of the Disposal Transaction. On top of that, included in the other income of the Group is the gain on disposal of AMSH and TCSF of S\$1.20 million arising from the completion of disposal in end of November 2016.

In 4Q FY2016, the PBIT is mainly derived from the Company and its overseas subsidiaries located in Suzhou, Vietnam, and Thailand, but partially offsetting the losses incurred by its subsidiaries in Malaysia, Shanghai and Taicang. The losses incurred by the Malaysia subsidiary in 4Q FY2016 is mainly due to the unfavourable movement of Ringgit Malaysia.

In terms of full year result, the Group's PBIT has increased by S\$1.84 million compared to 12M FY2015, mainly contributed by the Company and its Malaysia, Vietnam and Thailand subsidiaries and gain on disposal of subsidiaries.

The total PBIT achieved by the Company and its Malaysia subsidiary is mainly due to the significant growth of revenue in the Malaysia subsidiary and the gain on disposal of subsidiaries recorded of S\$1.20 million.

Whereas, for the subsidiaries in the People's Republic of China ("**PRC**"), higher loss before interest and tax has been reported in 12M FY2016. The losses are mainly due to AMSH having a high production and labour cost and cessation of the Dongguan subsidiary in mid of FY2015. The losses are partially offset by the profit made by the Suzhou subsidiary.

On the other hand, the Group's Vietnam subsidiary, which generates stable revenue, has contributed S\$0.60 million of PBIT to the Group. Despite higher revenue, the PBIT is lower compared to in 12M FY2015. This is largely impacted by the new projects awarded during the year that have lower profit margin. Besides, the staff cost for Vietnam subsidiary has also increased due to higher headcount required as well as the upward revision of the minimum wages in Vietnam since January 2016.

Thailand subsidiary has turned around from a loss before interest and tax of S\$0.20 million in 12M FY2015 to a PBIT of S\$0.99 million in 12M FY2016 due to increased business activities.

Tax expense in 12M FY2016 of S\$0.19 million mainly consists of deferred tax movement in the Suzhou subsidiary and the reversal of tax recoverable of the Dongguan subsidiary.

Overall, the Group has recorded a profit after tax of S\$3.34 million and S\$2.21 million in 4Q FY2016 and 12M FY2016 respectively.

#### Raw materials and consumables used

Compared to 4Q FY2015, raw materials and consumables used by the Group reduced by 4% despite revenue increased by 3% in 4Q FY2016. The decrease in raw materials and consumables used is mainly due to tighter controls imposed in 4Q FY2016.

Therefore, the raw materials and consumables used in 12M FY2016 shows a comparable increase of 3% in line with the increase in revenue.

#### Staff costs

Staff costs in 4Q FY2016 and 12M FY2016 have increased by 14% and 7% respectively.

This is due to the increase in total headcount of the Group from 2,005 as at 31 December 2015 to 2,068 as at 31 December 2016. The increase in staff cost is also caused by the upward revision of minimum wages in Suzhou and Vietnam in January 2016.

#### Depreciation and amortisation expenses

Depreciation and amortization expenses of the Group decreased by 29% and 21% in 4Q FY2016 and 12M FY2016 respectively.

The lower depreciation expenses is mainly attributable to the PPE in AMSH and TCSF that were reclassified to assets held for sale since June 2016 and thus, were not subjected to depreciation charge.

#### Other operating expenses

Other operating expenses include packaging costs, carriage inwards, utilities, foreign exchange differences and administrative expenses.

Other operating expenses decreased by 13% and 3% in 4Q FY2016 and 12M FY2016 respectively. The decrease is mainly due to the exclusion of other operating expenses incurred by AMSH and TCSF pursuant to the Disposal Transaction in end of November 2016. The decrease in other operating expenses is also due to the tightening controls on expenses in all entities.

### Finance costs

The Group's finance costs have increased to S\$0.08 million and S\$0.38 million in 4Q FY2016 and 12M FY2016 respectively. This is mainly attributed to higher quantum of bank borrowings repayments made by the Group during the abovementioned periods.

As at 31 December 2016, the Group has a total bank borrowings of S\$5.69 million compared to the total bank borrowings of S\$9.86 million as at 31 December 2015.

### **c. Balance Sheet and Cash Flow Statements**

The decrease in the carrying amount of PPE is mainly due to the disposal of PPE in both AMSH and TCSF and the depreciation charged during the year. In addition, the weakening of the Renminbi ("RMB") against the Singapore Dollar ("SGD"), as compared to last December, has resulted in a lower translated amount for the China PPE.

The carrying amount of investment property of the Group as at 31 December 2015 was S\$4.36 million, held by TCSF. The investment property has been de-recognised consequent to the disposal of TCSF.

As at 31 December 2016, there is a non-current other debtors balance of S\$12.43 million. This relates to the deferred sales consideration of the Disposal Transaction and other receivable amount that had been agreed for repayment over a term of 2.5 years. The remaining balance of S\$5.74 million is being recorded in other debtors balance under the current assets category.

The Group has also recorded a non-current prepayments balance of S\$1.68 million. This belongs to the prepayments amount made for the land acquired by the Group's newly incorporated subsidiary in Malaysia for factory building purpose. Upon obtaining the land ownership, this amount will be recorded as part of the PPE of the Group.

As at 31 December 2016, inventories balance decreased by S\$1.11 million to S\$11.74 million mainly due to the exclusion of the inventory balance of AMSH. This is partially offset by the increase in inventory balance in other subsidiaries as a result of higher revenue. For a similar reason, the Group has also recorded a lower trade debtors balance of S\$33.30 million as at 31 December 2016.

On the other hand, trade creditors balance of S\$31.07 million is comparable with that in 31 December 2015. However, by excluding the trade creditors balance of Shanghai subsidiary in 31 December 2015 of S\$3.95 million, the Group has recorded a higher trade creditors balance as at 31 December 2016. The increase is a result of the higher purchases made during the period.

Meanwhile, the other creditors and accruals balances have declined from S\$9.13 million to S\$8.35 million as at 31 December 2016. The decrease is mainly caused by the Disposal Transaction. However, the decrease is partially offset by the accruals of deferred interest income in relation to the deferred sales consideration and other receivables recognized in other debtors balance. Correspondingly, there is also an amount of S\$2.20 million, being the accruals of deferred interest income, classified as non-current liabilities due to its nature.

The Group's deferred compensation income balance has decreased to S\$8.60 million as at 31 December 2016 due to amortization of deferred compensation income during the year and the effect of the weakened RMB against the SGD.

During the year, the Group has made net repayment of bank borrowings amounting to S\$2.90 million to its bankers, thus decreasing the amount due to bankers to S\$5.69 million as at 31 December 2016.

Both deferred tax liabilities and deferred tax assets in the Group's balance sheet are attributed to the subsidiaries in the PRC. Both deferred tax liabilities and assets as at 31 December 2016 are lower due to reversal made during the year in Suzhou subsidiary and translation difference.

For the year ended 31 December 2016, the Group has recorded a net decrease in cash and cash equivalents of S\$1.64 million (before the effect of exchange rates on opening cash and cash equivalents), which reduced the cash and bank balances from S\$15.51 million to S\$13.94 million. The decrease is mainly attributed to the investment in PPE in Malaysia subsidiary and net repayment of bank borrowings of the Group. However, it has been partially offset by the cash generated from operating activities of S\$6.31 million.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Nil.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

In light of the uncertain global economic outlook, the business environment remains challenging. The Group will continue to seek ways to step up its marketing efforts to improve growth opportunities by securing high value-added projects to improve its utilisation capacity and productivity.

With the increase in production costs across the region, stiff pricing competition and foreign currency movements, the Group expects to face challenging business conditions in the next 12 months.

**11 Dividend**

**(a) Current Financial Period Reported On**

Whether any dividend has been recommended for the current financial year reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Whether any dividend was declared for the corresponding period of the immediately preceding financial year?

No.

**(c) Date payable**

Not applicable.

**(d) Book closure date**

Not applicable.

**12 If no dividend has been declared (recommended), a statement to that effect.**

No dividend for the period ended 31 December 2016 has been declared or recommended.

**13 Interested Person Transactions**

The Group has not obtained a general mandate from shareholders for interested person transactions.

**14 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

<b>(S\$'000)</b>	<b>Singapore &amp; Malaysia</b>		<b>China</b>		<b>Vietnam</b>		<b>Thailand</b>		<b>Others</b>		<b>Elimination</b>		<b>Group</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Segment revenue</b>														
External customers	17,623	14,265	53,909	62,791	46,697	40,039	5,637	2,968	-	6	-	-	123,866	120,069
Inter segment revenue	-	6	752	990		27	3	21	-		(755)	(1,044)	-	-
Total revenue	17,623	14,271	54,661	63,781	46,697	40,066	5,640	2,989	-	6	(755)	(1,044)	123,866	120,069
Profit/(loss) before interest and taxation	4,479	2,967	(1,344)	(633)	597	1,035	986	(200)	(1)	(44)	-	-	4,717	3,125
Finance cost													(380)	(227)
Unallocated expenses													(1,931)	(2,175)
Profit before taxation													2,406	723
Taxation													(193)	(396)
Net profit													2,213	327
Segment assets	13,625	8,826	55,227	83,357	30,343	27,912	4,150	4,616	6	11	-	-	103,351	124,722
Unallocated assets													20,856	3,093
													124,207	127,815
<b>Other segment information</b>														
Additions to non-current assets	1,595	61	491	309	333	488	237	103	-	-	-	-	2,656	961
Depreciation and amortization	228	90	2,577	3,867	430	380	694	643	-	-	-	-	3,929	4,980
Allowance for/(write-back of)														
inventory obsolescence	8	(224)	(1)	(227)	(48)	(419)	12	-	-	-	-	-	(29)	(870)
Inventories written off	-	227	-	26	-	-	-	-	-	-	-	-	-	253
(Write back of)/allowance for impairment														
on trade debtors	(263)	264	(55)	271	-	(12)	-	-	-	2	-	-	(318)	525
(Gain)/loss on disposal of assets	(6)	(5)	(181)	(392)	-	(3)	-	-	5	3	-	-	(182)	(397)
Gain on disposal of subsidiaries	(1,198)	-	-	-	-	-	-	-	-	-	-	-	(1,198)	-



- 16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8.

- 17. A breakdown of sales.**

A breakdown of sales as follows:

	<b>FY 2016 S\$'000 Group</b>	<b>FY 2015 S\$'000 Group</b>	<b>% (decrease)/ increase Group</b>
Sales reported for first half year	56,042	56,662	(1%)
Operating loss after tax before deducting minority interests reported for first half of the year	(1,808)	(1,109)	63%
Sales reported for second half year	67,824	63,407	7%
Operating profit after tax before deducting minority interests reported for second half of the year	4,021	1,436	> 100%

- 18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

No dividend is paid or proposed in respect of the financial year ended 31 December 2016 and 2015.

- 19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Hsu Chin Chieh	47	Brother of Mr Hsu Ching Yuh @ Sheu Ching Yuh, the Chief Executive Officer ("CEO") and Group Managing Director	Deputy General Manager of Allied Machineries (Shanghai) Co., Ltd	The disposal of AMSH was completed on 29 November 2016. Mr Hsu Chin Chieh remains as Deputy General Manager of AMSH after such disposal.
Hsu Hsiu Ming	32	Son of Mr Hsu Ching Yuh @ Sheu Ching Yuh, the CEO and Group Managing Director	Assistant to CEO based in Allied Technologies (Suzhou) Co., Ltd	No change of duties or position held during the year.

#### ON BEHALF OF THE BOARD

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

Soh Weng Kheong  
Group Deputy Managing Director

24 February 2017