

ALLIED TECHNOLOGIES LIMITED
(Company Registration Number 199004310E)
(Incorporated in the Republic of Singapore)

**CLARIFICATION ON THE DIFFERENCES BETWEEN THE AUDITED FINANCIAL RESULTS AND THE
UNAUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

The Board of Directors (the “**Board**”) of Allied Technologies Limited (the “**Company**”, together with all its subsidiaries, the “**Group**”) refers to the Company’s announcement on its unaudited financial results for the financial year ended 31 December 2013 (“**FY2013**”) dated 26 February 2014.

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 2013.

The differences were due to reclassification adjustments. Please refer to **Annex A** for details.

Overall, the reclassification adjustments have no impact on the net profit, net assets, cash and cash equivalents of the Group for the financial year ended 31 December 2013.

By Order of the Board

Hsu Ching Yuh @ Sheu Ching Yuh
CEO and Group Managing Director

9 April 2014

A comparison of audited results and unaudited results for the financial year ended 31 December 2013 is set out as below :

Annex A

CONSOLIDATED INCOME STATEMENT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Audited Results S\$'000	Unaudited Results S\$'000	Difference S\$'000
Revenue	98,654	98,654	-
Other income	24,540	24,488	52 Note 1
Costs and expenses			
Change in inventories of finished goods and work-in-progress	(2,176)	(2,176)	-
Raw materials and consumables used	(58,434)	(58,434)	-
Depreciation expenses	(3,052)	(3,052)	-
Amortisation expenses	(18)	(18)	-
Staff costs	(24,923)	(24,923)	-
Impairment loss on property, plant and equipment	(1,851)	(1,851)	-
Other operating expenses	(19,780)	(19,728)	(52) Note 1
	(110,234)	(110,182)	(52)
Operating profit	12,960	12,960	-
Finance costs	(464)	(464)	-
Profit before taxation	12,496	12,496	-
Taxation	(1,517)	(1,517)	-
Profit for the year	10,979	10,979	-
Attributable to :			
Owners of the Company	10,979	10,979	-

BALANCE SHEETS AS AT 31 DECEMBER 2013

	Group				Company		
	Audited Results S\$'000	Unaudited Results S\$'000	Difference S\$'000		Audited Results S\$'000	Unaudited Results S\$'000	Difference S\$'000
Non-current assets							
Intangible assets	196	196	-		53	53	-
Property, plant and equipment	43,882	48,778	(4,896)	Note 2	227	227	-
Investment property	4,896	-	4,896	Note 2	-	-	-
Investment in subsidiaries	-	-	-		34,876	34,876	-
Loan receivables from subsidiaries	-	-	-		14,200	13,360	840
Deferred tax assets	5,947	5,947	-		-	0	-
Other investments	2,205	2,205	-		2,081	2,081	-
	57,126	57,126	-		51,437	50,597	840
Current assets							
Inventories	12,927	12,927	-		957	957	-
Amounts due from subsidiaries	-	-	-		11,039	11,879	(840)
Trade debtors	28,797	28,797	-		2,516	2,516	-
Other debtors	2,982	2,982	-		66	66	-
Prepayments and advance to suppliers	1,237	1,237	-		51	51	-
Dividend receivable	-	-	-		127	127	-
Fixed deposits (pledged)	235	235	-		-	-	-
Cash and bank balances	20,091	20,091	-		3,953	3,953	-
	66,269	66,269	-		18,709	19,549	(840)
Current liabilities							
Trade creditors	25,666	25,666	-		1,678	1,678	-
Hire purchase creditors	10	10	-		10	10	-
Other creditors and accruals	5,696	5,696	-		1,130	1,130	-
Deferred compensation income	1,808	1,808	-		-	-	-
Amounts due to bankers	4,424	4,424	-		1,901	1,901	-
Income tax payable	39	39	-		-	-	-
	37,643	37,643	-		4,719	4,719	-
Net current assets	28,626	28,626	-		13,990	14,830	(840)
Long term liabilities							
Deferred compensation income	9,884	9,884	-		-	0	-
Deferred tax liabilities	3,783	3,783	-		-	0	-
	13,667	13,667	-		-	-	-
Net assets	72,085	72,085	-		65,427	65,427	-
Equity attributable to owners of the Company							
Share capital	57,337	57,337	-		57,337	57,337	-
Exchange translation reserve	(57)	(57)	-		-	-	-
Statutory reserve fund	4,889	4,889	-		-	-	-
Other reserves	189	189	-		189	189	-
Revenue reserve	9,727	9,727	-		7,901	7,901	-
	72,085	72,085	-		65,427	65,427	-

CONSOLIDATED CASH FLOW STATEMENT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Audited Results S\$'000	Unaudited Results S\$'000	Difference S\$'000
Net cash generated from operating activities	1,863	4,611	(2,748) Note 4
Net cash generated from/(used in) investing activities	19,615	(23,564)	43,179 Note 5
Net cash (used in)/generated from financing activities	(10,107)	30,324	(40,431) Note 6
Net increase in cash and cash equivalents	<u>11,371</u>	<u>11,371</u>	<u>-</u>
Cash and cash equivalents at beginning of year	9,081	9,081	-
Effects of exchange rates on opening cash	(361)	(361)	-
Cash and cash equivalents at end of year	<u><u>20,091</u></u>	<u><u>20,091</u></u>	<u><u>-</u></u>

Explanatory notes**Note 1**

The differences were due to the disaggregation of expenses which were netted off under "Other income" in the Unaudited Results while they were included under "Other operating expenses" in the Audited Results.

Note 2

The differences were due to the reclassification of the net book value of certain assets held by the Taicang subsidiaries from "Property, plant and equipment" to "Investment property" as the Taicang subsidiaries switched its business from manufacturing to that of renting out its factory premises and machineries.

Note 3

The differences were due to the reclassification from "Amounts due from subsidiaries" to "Loan receivables from subsidiaries" in respect of advances made by the Company to the Vietnam subsidiary.

Note 4

The difference was due to the cash outflows arising from the net impact of the reclassifications from investing activities under Note 5 below amounting to S\$8.4 million, partially offset with the cash inflows of S\$5.7 million on the reclassification of part of "Government grant received pursuant to Suzhou's compulsory land acquisition" from financing activities.

Note 5

The difference was due to the cash inflows from reclassification of part of "Government grant received pursuant to Suzhou's compulsory land acquisition" amounting to S\$34.7 million and cash inflows of S\$8.4 million due to net impact from reclassifications with operating activities where, there was S\$9.1 million of certain operating-related cash outflows from "Purchase of property, plant and equipment" reclassified to operating activities, partially offset with cash outflows reclassified from operating activities pertaining to related costs of S\$0.2 million on sale of Bukit Batok property and S\$0.5 million on Yitong acquisition.

Note 6

The difference was due to the reclassification of "Government grant received pursuant to Suzhou's compulsory land acquisition" from financing activities to that of operating activities and that of investing activities.