



ALLIED TECHNOLOGIES LIMITED

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

PROPOSED ACQUISITIONS OF LAND

The Board of Directors (the "**Board**") of Allied Technologies Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly-owned subsidiary in Malaysia, known as Allied Precision Technologies (M) Sdn. Bhd ("**APT**M"), had on 14 September 2016, entered into six (6) separate sale and purchase agreements (collectively the "**SPAs**") with Redfield Consortium (M) Sdn Bhd (the "**Vendor**") to acquire six (6) parcels of freehold land (the "**Proposed Acquisitions**") located at Mukim Tanjong Minyak, Melaka Tengah, Melaka, Malaysia (collectively, the "**Land**").

1. PRINCIPAL TERMS OF THE PROPOSED ACQUISITIONS

The aggregate purchase price of the six (6) parcels of land (inclusive of stamp duty) is RM7,632,895 (approximately S\$2,552,808 million based on an exchange rate of S\$1:RM2.99), which consists of the following:

- (a) RM 1,463,779 (approximately S\$489,558 million based on an exchange rate of S\$1:RM2.99) for land PT15829;
- (b) RM 1,485,931 (approximately S\$496,967 million based on an exchange rate of S\$1:RM2.99) for land PT15830;
- (c) RM 1,153,060 (approximately S\$385,639 million based on an exchange rate of S\$1:RM2.99) for land PT15831;
- (d) RM 1,153,060 (approximately S\$385,639 million based on an exchange rate of S\$1:RM2.99) for land PT15832;
- (e) RM 1,191,376 (approximately S\$398,454 million based on an exchange rate of S\$1:RM2.99) for land PT15833; and
- (f) RM 1,185,689 (approximately S\$396,551 million based on an exchange rate of S\$1:RM2.99) for land PT15834,

(collectively the "**Purchase Consideration**").

The Purchase Consideration will be funded by bank borrowings with an established local Malaysian Bank and internal resources.

No independent valuation on the Land was commissioned by the Company for the purposes of the Proposed Acquisitions. The Purchase Consideration was arrived at on a "willing-buyer, willing-seller" basis after taking into account the market valuation done on the Land by an established local Malaysian Bank and various commercial factors, including

the prevailing market conditions, the location of the Land and a comparison of recent transacted prices in the vicinity.

2. RATIONALE

The Company intends to construct a factory building on the Land for the purpose of APTM's manufacturing and operating activities. After taking into consideration the other options available and the cost and benefit of the Proposed Acquisitions, the Board decided that it is in the best interest of the Company to acquire the Land and construct the factory for its own operational use as opposed to renting a factory building in Malaysia.

3. FINANCIAL EFFECTS

3.1 NTA per Share

For illustrative purposes only and assuming that the Proposed Acquisition had been completed on 31 December 2015, being the end of the most recently concluded financial year ended 31 December 2015 ("FY2015"), the proforma financial effects of the Proposed Acquisition on the consolidated NTA of the Group for FY2015 will be as follows:

	Before completion of the Proposed Acquisition	After completion of the Proposed Acquisition
Consolidated NTA attributable to the shareholders of the Company (S\$'000)	63,901	63,896
Number of shares (excluding treasury shares) ('000)	675,164	675,164
Consolidated NTA per share attributable to the shareholders of the Company (Singapore cents)	9.46	9.46

3.2 Earnings per Share ("EPS")

For illustrative purposes only and assuming that the Proposed Acquisition had been completed on 1 January 2015, being the beginning of FY2015, the proforma financial effects of the Proposed Acquisition on the consolidated EPS of the Group for FY2015 will be as follows:

	Before completion of the Proposed Acquisition	After completion of the Proposed Acquisition
Profit attributable to the equity holders of the Company (S\$'000)	327	227
Weighted average number of shares (excluding treasury shares) ('000)	675,164	675,164
Consolidated EPS (Singapore cents)	0.05	0.03

4. THE PROPOSED ACQUISITION AS A DISCLOSEABLE TRANSACTION

Based on the latest announced unaudited consolidated financial statements of the Group for the second quarter ended 30 June 2016, which had been released by the Company on 11 August 2016, the relative figures for the Proposed Acquisition ("**Relative Figures**") computed on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited Mainboard Rules are as follows:

	Proposed Acquisition (S\$'000)	Group (S\$'000)	Relative Figures (%)
Rule 1006 (a) The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable	Not applicable	Not applicable
Rule 1006 (b) Net profits attributable to the assets acquired, compared with the Group's net profits.	Not applicable as there is no profit or loss attributable to the Land	Not applicable as there is no profit or loss attributable to the Land	Not applicable as there is no profit or loss attributable to the Land
Rule 1006 (c) The aggregate value of the consideration given or received, compared with the issuer's market	2,553	20,255	12.6%

capitalisation ⁽¹⁾ as at 13 September 2016, being the last full market day with trades done immediately preceding the execution of the SPA (excluding treasury shares).			
Rule 1006 (d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable	Not applicable	Not applicable
Rule 1006 (e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas asset by a mineral, oil and gas company, but to an acquisition of such assets.	Not applicable	Not applicable	Not applicable

Note:-

- (1) The market capitalisation of the Company of approximately S\$20,255,000 is determined by multiplying 675,164,460 Shares in issue by the volume weighted average price of S\$0.03 of such Shares transacted as at 13 September 2016, being the market day with trades done preceding the date of the SPA.

As the relative figure calculated under Rule 1006 (c) of the Mainboard Rules exceeds 5% but is less than 20%, the Proposed Acquisition constitutes a "Discloseable Transaction" as defined under Chapter 10 of the Mainboard Rules.

5. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed herein, none of the Directors or controlling shareholders of the Company have any direct or indirect interest in the SPA or the Proposed Acquisition, other than through their respective shareholdings in the Company.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

7. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8. DOCUMENTS FOR INSPECTION

A copy each of the SPAs will be available for inspection during normal business hours at the Company's registered office at 11 Woodlands Close, #10-11 Woodlands 11, Singapore 737853 for three (3) months from the date hereof.

BY ORDER OF THE BOARD

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

14 September 2016