



ALLIED TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)

(Company registration no. 199004310E)

NON-BINDING MEMORANDUM OF UNDERSTANDING FOR THE PROPOSED SALE OF ALLIED MACHINERIES (SHANGHAI) CO., LTD. AND TAICANG SHANFENG HARDWARE CO., LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Allied Technologies Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that had on 24 May 2016 entered into a non-binding memorandum of understanding (the “**MOU**”) with Carapace Daybreak Ltd. (the “**Purchaser**”), for the proposed sale by the Company of its entire equity interest in Allied Machineries (Shanghai) Co., Ltd. and Taicang Shanfeng Hardware Co., Ltd. (collectively, the “**Sale Subsidiaries**”) to the Purchaser at a consideration to be mutually agreed (the “**Proposed Transaction**”).

The MOU shall remain effective for a period of three (3) months from 24 May 2016, and may be amended or extended at any time by written mutual determination of the Company and the Purchaser.

2. INFORMATION ON THE SALE SUBSIDIARIES

Allied Machineries (Shanghai) Co., Ltd. (“**AMSH**”) is a wholly owned subsidiary of the Company, incorporated in the People’s Republic of China (“**PRC**”). AMSH is principally engaged in the business of toolmaking, manufacture of metal stamped parts, and provision of value-added assembly services.

Taicang Shanfeng Hardware Co., Ltd. (“**TCSF**”) is a wholly owned subsidiary of the Company, incorporated in the PRC. TCSF specialises in surface finishing of metal components, including anodising operations and electrochemical process on aluminium related metal components. It also owns an approved license for anodising aluminium materials in PRC.

3. INFORMATION ON THE PURCHASER

The Purchaser is incorporated in Belize, and is an investment holding company. The Purchaser is the holding company of Prosper Machineries (Suzhou) Co., Ltd. (“**Prosper**”), and assists Prosper in receiving and managing its offshore client orders, issuing quotations to offshore clients and providing technical support services to clients. Prosper was incorporated in Suzhou, PRC in 2001, and is mainly engaged in the manufacturing and sale of, *inter alia*, electronic components and related products, fine blanking dies, and mould standard parts.

4. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the MOU, save through their respective shareholdings in the Company.

5. NON-BINDING MOU

Except for certain customary provisions relating to, *inter alia*, confidentiality obligations of the Company and the Purchaser, the MOU states that no legally binding obligations will be created between the Company and the Purchaser until the relevant definitive agreements are executed and delivered. Accordingly, there can be no assurance that the Proposed Transaction will materialise.

6. FURTHER ANNOUNCEMENT

As the terms of the Proposed Transaction have not been finalised, the Company will release further announcements to inform shareholders of the Company when there are material developments in respect of the Proposed Transaction.

7. TRADING CAUTION

The Company wishes to emphasise that (i) there is no certainty or assurance that the definitive agreement(s) will be entered into; and (ii) the terms of Proposed Transaction in the MOU is subject to changes in accordance with the terms of the definitive agreement(s). Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

By Order of the Board

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

24 May 2016