



ALLIED TECHNOLOGIES LIMITED

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

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Introduction

Allied Technologies Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the Watch-List pursuant to Rule 1311 of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 5 March 2014.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the “**Board**”) wishes to provide an update on the financial situation of the Company and the Group for the first quarter ended 31 March 2016 (“**1Q FY2016**”).

Update on Unaudited Financial Performance and Financial Position

In 1Q FY2016, the Group has recorded an unaudited net loss of S\$1.17 million compared to the net profit after tax of S\$0.15 million in 1Q FY2015. This is mainly due to the increased material costs, staff costs and operating expenses incurred in the current quarter.

The Group’s net assets as at 31 March 2016 has decreased by S\$3.40 million to S\$60.50 million as compared to 31 December 2015. The decrease is mainly attributable to the loss incurred by the Group in 1Q FY2016 and adverse translation differences relating to the financial statements of the Group’s foreign subsidiaries.

For more details on the results and financial position of the Group for the period ended 31 March 2016, please refer to our separate announcement released on 13 May 2016.

Update on Future Direction

With continuing uncertainty over the strength and sustainability of the economic recovery of major global economies, the Group expects business conditions to remain challenging.

The Group expects to face more challenges ahead due to the increase in production costs across the region, stiff pricing competition and foreign currency movements. However, the Group will continue to explore all avenues for business opportunities to further improve the financial position of the Group. The Group will also endeavour to improve its production efficiency and reduce operating costs.

Other Material Developments

On 17 March 2016, the Company received a notification from the SGX-ST that the SGX-ST has granted the Company a 12-month extension until 1 March 2017, to meet the requirements of Listing Rule 1314 for exit from the Watch-List.

The Company will update shareholders on any other subsequent material developments and will make such necessary announcements as and when appropriate.

BY ORDER OF THE BOARD

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

13 May 2016