

ULTRO TECHNOLOGIES LIMITED
(Incorporated in Singapore)
(Company Registration Number: 198700318G)

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

INTRODUCTION

With effect from 3 December 2009, Ulro Technologies Limited (the "Company") was placed under the Watch-List pursuant to Rule 1311 of the Listing Manual.

Pursuant to Listing Rule 1313(2) of the Listing Manual of the SGX-ST, the Board of Directors of the Company wishes to provide the following updates on the Company and its subsidiaries (the "Group") for the sixth quarter of the financial period FP2011 and year ended 31 December 2011.

UPDATE ON FINANCIAL POSITION

Income Statement

The current reporting period covered 18 months from 1 July 2010 to 31 December 2011 ("FP2011") following the change of financial year end from 30 June 2010 to 31 December 2011. The corresponding period of the previous financial year also covered 18 months from 1 July 2009 to 31 December 2010 ("FP2010").

Pursuant to the announcement dated 26 December 2011 and 15 February 2012 with regard to the proposed acquisition, the Company is in the process of winding down the current operations. According to the conditions precedents of the proposed acquisition, as at the completion, the Group shall have no assets and liabilities save for, a) a cash reserve of approximately \$2.4 million; b) a liability of approximately \$600,000; and c) the entire issued and paid-up share capital of its wholly-owned subsidiary Ranoda (M) Sdn Bhd, comprising 2,950,000 ordinary shares provided that Ranoda (M) Sdn Bhd has no other existing businesses and assets other than the property (classified as investment properties in the Statement of financial position above.

In view of the above, the financial results of all the entities, except for the parent company Ulro Technologies Ltd and the wholly owned subsidiary Ranoda (M) Sdn Bhd, have been classified as Discontinued Operations in the Income Statement. In other words, the Continuing Operations comprises of Ulro Technologies Ltd and Ranoda (M) Sdn Bhd only. Similarly, the financial position of the Discontinued Operations is presented as "Assets" and "Liabilities" held for sale in the Statement of Financial Position. Further, the previous year (comparative period) amounts were also reclassified, in line with the current year classification.

Revenue

The revenue of the Group for the FP2011 was generated by the former subsidiary PT Anugrah Ulro Sejati ("PT AUS") and it is included in the net operating results under Discontinued Operations.

Other operating income

The other operating income for FP2011 mainly consisted of rental income and the miscellaneous income, attributable to the recovery of doubtful debts provided for the former subsidiary CP Solutions Pte Ltd ("CPS") which is under liquidation. The other operating income increased by 73% to S\$7.3 million in FP2011

compared to S\$4.2 million in FP2010 mainly due to higher rental income amounting to S\$1.1 million and the miscellaneous income amounting to S\$1.9 million.

Operating expenses

The operating expenses consisted of administrative expenses, other items and finance expenses. There was no significant change in the operating expenses on overall basis in FP2011 compared to FP2010.

Administrative expenses mainly consisted of building lease related expenses and provision for doubtful doubts amounting to S\$5.5 million and S\$0.8 million respectively, among other expenses, in FP2011. The administrative expenses decreased by 5.5% to S\$8.5 million due to lower salary expenses and overheads in FP2011 compared to S\$8.9 million in FP2010.

The other items increased to S\$1.3 million in FP2011 compared to S\$0.6 million in FP2010, mainly attributable to the higher exchange loss and the loss on disposal of former subsidiary PT AUS.

Discontinued Operations

The net loss of discontinued operations, amounting to S\$3 million, includes a charge-off of translation reserve attributable to the disposed businesses amounting to S\$4.7 million. Barring this charge-off, the discontinued operations would have reported a net profit of S\$1.6 million in FP2011 (mainly from the subsidiaries PT AUS attributable to the operating income and Ranoda Singapore Pte Ltd attributable to the write-back of payables) compared to the net loss of S\$ 2.8 million in FP2010.

Total Loss

The Group reported a total loss of S\$5.7 million for the FP2011 mainly due to a) charge-off of translation reserve to profit or loss of S\$4.7 million; and b) provision for doubtful debts of S\$0.8 million. The total loss decreased to S\$5.7 million in FP2011 compared to S\$7.8 million in FP2010.

Other Comprehensive Income

The translation reserve attributable to the disposed businesses, amounting to S\$ 4.7 million, has been charged off to the profit or loss and it is included in the loss from discontinued operations.

Balance Sheet

The net assets of the Group reduced by 17.7% to S\$8 million as at 31 December 2011 compared to S\$9.7 million as at 30 June 2010, mainly attributable to, amongst others, a) other receivables reduced by S\$2.1 million mainly due to the proceeds received from the former subsidiary PT AUS towards repayment of working capital loan; and b) the liabilities of the disposal group reduced by S\$1 million mainly due to the write-back of payables.

Cashflow

The Group's cash and cash equivalent stood at S\$2.5 million as at 31 December 2011.

OUTLOOK

The Company has been put on SGX-ST's Watch-List on 3 December 2009.

In its effort to turnaround its business such that it may apply to be removed from the SGX-ST's Watch-List, the Company has been actively pursuing various business opportunities, including venturing into the new core business relating to minerals and resource based products. Unfortunately, given the challenges and difficulties faced by the Company in the minerals and resource industry, the Company was of the view that more time would be required for it to achieve profitability, which is a requirement that the Company is required to fulfil before it may apply to be removed from the SGX-ST's Watch-List.

As such, the Board of Directors decided to undertake the proposed acquisition of the entire issued and paid-up share capital of Ley Choon Constructions and Engineering Pte Ltd ("LCCE") ("Proposed RTO") such that the Company may then apply to be removed from the SGX-ST's Watch-List and continue to maintain its listing status.

The Company believes that the Proposed RTO is in the best interests of the Shareholders as it provides the Company with an opportunity to acquire an entity with a credible operating track record in the businesses of Underground Utilities Infrastructure (as defined in the Company's announcement dated 26 December 2011) construction and maintenance, sewer pipeline rehabilitation as well as road and airfield construction and maintenance.

LCCE and its subsidiaries ("LC Group") is a one-stop Underground Utilities Infrastructure construction and maintenance service provider and it provides its customers with the full-range of construction, commission and maintenance services. In addition, it is also engaged in the businesses of production of asphalt pre-mixes and construction waste recycling, which complement its other business activities. The LC Group's asphalt plant produces asphalt pre-mixes, which is an essential raw material required for the construction and maintenance of roads and airfield as well as road resurfacing. The LC Group's construction waste recycling plant also allows it to recycle the construction waste generated from its other business activities. The concrete aggregates are then transported back to the site for re-use.

The new businesses acquired by the Company under the Proposed RTO is expected to meet the criteria for admission to SGX-ST's Mainboard set out in Rule 210(2)(a) and Rule 210(2)(b) of the Listing Manual.

In view of the above, the Board of Directors are of the view that the Proposed RTO will support the Company's application to be removed from the SGX-ST's Watch-List, which would then allow the Company to preserve its listing status on the SGX-ST's Mainboard.

As stated in the Company's announcement dated 16 February 2012, the Company has on 16 February 2012 received a notification from the SGX-ST that it has no objections to the Company's request to extend the deadline for it to submit its application to exit the SGX-ST's Watch List to 31 August 2012 for the purpose of allowing the Company to have sufficient time to complete the Proposed RTO.

Pursuant to Rule 1014 of the SGX-ST Listing Manual, the Company will be holding an Extraordinary General Meeting to seek the Shareholders' approval for, inter alia, the Proposed Acquisition. A circular containing information required pursuant to the applicable listing rules will also be despatched to the Shareholders in due course.

Shareholders and investors of the Company are advised to exercise caution when dealing in the Shares and to refrain from taking any action in relation to their Shares which may be prejudicial to their interests. Persons, who are in doubt as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser.

Shareholders should however note that there can be no assurance that SGX-ST will remove the Company's name from the SGX-ST's Watch-List as a result of the Proposed RTO.

The Company will keep the shareholders apprised of any major developments as and when it is appropriate.

BY ORDER OF THE BOARD

Lim Ee Chuan
Executive Director and Chief Executive Officer

28 February 2012