

**ESCROW MONIES DEPOSITED WITH JLC ADVISORS LLP**

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Reference is made to:

- (a) the announcement of Allied Technologies Limited ("**Company**") on 8 May 2019 in relation to the notice of compliance dated 8 May 2019 received by the Company from the Singapore Exchange Securities Trading Limited, and in particular, the funds which have been deposited by the Company into an escrow account held by JLC Advisors LLP ("**JLC**"), a Singapore law firm;
- (b) the notice of intervention into the client accounts of JLC issued by the Law Society of Singapore on 22 May 2019 pursuant to Section 74 and paragraph 1(1)(a) of the First Schedule to the Legal Profession Act (Cap 161) whereby it has requested for law practices having any pending matters relating to the client accounts of JLC to write in with: (i) the file reference of the firm; (ii) a short description of the matter; (iii) the amount of client money said to be held by JLC; and (iv) when and to whom the client money is to be paid;
- (c) The Straits Times report dated 23 May 2019 entitled "Law Society intervenes in legal firm's client account"; and
- (d) The Business Times report dated 23 May 2019 entitled "S\$33m missing from JLC law firm; lawyer uncontactable".

The Company had entered into an escrow agreement with JLC on 23 October 2017 ("**Escrow Agreement**"), which was approved by the then board of directors comprising Mr. Hsu Ching Yuh @ Sheu Ching Yuh (Group Managing Director and Chief Executive Officer), Mr. Soh Weng Kheong (Executive Director and Group Deputy Managing Director), Mr. Yau Woon Foong (Lead Independent Director), Mr. Shih Chih-Lung (Independent Director) and Mr. Lim Jin Wei (Independent Director).

Save for Mr Lim Jin Wei (Independent Director), the rest of the individuals have since resigned from the board of directors of the Company ("**Board**"), which now comprise Mr. Leow Wee Kia, Clement (Chief Executive Officer and Executive Director), Mr. Low Si Ren, Kenneth (Executive Director), Mr. Chin Chee Choon (Independent Non-Executive Chairman), Mr. Lim Jin Wei (Independent Director) and Ms. Pok Mee Yau (Independent Director and concurrently a partner at JLC).

Despite repeated demands for repayment from the Company since 23 March 2019 and including a letter of demand issued by the Company's counsel, Messrs Rajah & Tann Singapore LLP, made on 17 May 2019, JLC has to date in breach of its obligations under the Escrow Agreement failed to release the balance escrow funds of S\$33,153,416.56 to the Company. This is notwithstanding that at all material times, JLC's managing director, Mr. Ong Su Aun, Jeffrey, had repeatedly represented to the Company that the release of the escrow funds would be forthcoming, and had never once stated that the escrow funds were missing, that it had already been paid out or that JLC would not comply with the Company's request to release the escrow funds in accordance with the Escrow Agreement.

The Company has now on 22 May 2019 received a letter on JLC's letterhead stating that the funds of "S\$33.4 million" deposited by the Company with JLC have been purportedly paid out from the escrow account, and that JLC is still investigating, but has reasons to believe the said funds were paid out on the instructions of its partner, Mr. Ong Su Aun, Jeffrey, and "*might have been*

unauthorized". The letter also stated that JLC has lodged reports with relevant authorities. The Company notes that the amount stated as held by JLC on escrow is also incorrect.

Under the Escrow Agreement, the authorized joint signatories for any disbursements of funds from the escrow account with JLC comprise both Mr. Low Si Ren, Kenneth (Executive Director) and Mr. Lim Jin Wei (Independent Director). Mr. Low Si Ren, Kenneth (Executive Director) and Mr. Lim Jin Wei (Independent Director) have individually confirmed to the Board that, other than pursuant to the Company's aforementioned demand of 23 March 2019 to JLC, they have not given any instructions to JLC, either verbally or in writing, for release of the amount of the balance sum of S\$33,153,416.56. Under the Escrow Agreement, any instructions for disbursements of funds are required to be in writing.

In view of the latest developments relating to JLC, the Company has instructed its counsel to urgently:

- (a) respond to the aforesaid JLC letter to clarify the situation, including requiring JLC to, amongst others, provide documentary evidence and a statement of accounts of the escrow funds as well as to update the Company as to the whereabouts of Mr. Ong Su Aun, Jeffrey;
- (b) lodge a report with the Singapore Police Force;
- (c) report the matter to the Law Society of Singapore; and
- (d) commence legal proceedings to protect the interests of the Company as appropriate.

The Company is monitoring the situation closely and will take rigorous steps to protect its interests. The Company will continue to provide further updates to shareholders on subsequent material developments.

#### **BY ORDER OF THE BOARD**

Leow Wee Kia Clement  
Chief Executive Officer and Executive Director  
23 May 2019

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*This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr. Bernard Lui, Telephone: +65 6389 3000, Email: [bernard.lui@morganlewis.com](mailto:bernard.lui@morganlewis.com).*