

ALLIED TECHNOLOGIES LIMITED

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

MEMORANDUM OF UNDERSTANDING – PROPOSED ACQUISITION OF 51% OF THE ENTIRE ISSUED AND FULLY PAID-UP ORDINARY SHARES IN THE CAPITAL OF ACTIVPASS HOLDINGS PTE. LTD.

1. INTRODUCTION

- 1.1 The Board of Directors (“**Board**” or “**Directors**”) of Allied Technologies Limited (the “**Company**”) is pleased to announce that it had, on 4 June 2018 entered into a binding memorandum of understanding (“**MOU**”) with Seow See Keong and Leow Ai Li, Amy (“**Vendors**”).
- 1.2 Pursuant to the MOU, the Company shall enter into negotiations with the Vendors for the proposed acquisition of 51% of the entire issued and fully paid-up ordinary shares in the capital of Activpass Holdings Pte. Ltd. (“**Target**”) (“**Sale Shares**”), (“**Proposed Acquisition**”). The exact terms of the Proposed Acquisition are still subject to further negotiations and the satisfaction of certain conditions precedents in the MOU as stated below.
- 1.3 The Proposed Acquisition shall be subject to, *inter alia*, the Company and the Vendors (collectively, the “**Parties**”) finalising and entering into a definitive sale and purchase of shares agreement (“**S&P Agreement**”) and other related documents in respect of the Proposed Acquisition. The Parties shall negotiate in good faith and work towards an agreement on the terms and conditions of the S&P Agreement within two (2) months from the date of the MOU and completing the Proposed Acquisition within three (3) months from the date of the MOU.

2. INFORMATION ON TARGET

- 2.1 The Target is a company incorporated under the laws of Singapore and is in the business of operating a suite of Software as a Service (SaaS) solutions that combines a cloud-based intelligent customer engagement system, a business management platform and consumer mobile marketplace application within the fitness, wellness and beauty services industries. It empowers businesses and independent professionals to completely manage, schedule, engage and monetise their businesses through the optimal use of data analytics, mobile and geo-fencing location technology. The basic SaaS module comprises a complete suite of tools including scheduling, in-app real-time messaging, access to customers’ history and past preferences, and mobile commerce. To date, the Target has a fast-growing network of over 500 businesses and independent professionals offering a wide range of services from personal training to aesthetics treatment.

- 2.2 The existing directors and shareholders of the Target are Seow See Keong and Leow Ai Li, Amy who hold 87,375 ordinary shares in the capital of the Target (“**Shares**”) and 29,125 Shares respectively, and both the Vendors are not related to the Directors or controlling shareholders of the Company or their respective associates.

3. RATIONALE FOR THE PROPOSED ACQUISITION

- 3.1 The Proposed Acquisition is part of the Company’s efforts to diversify its business operations and invest in technology solutions which the Company believes would have strong potential for growth. The Target’s technology-driven business model deploys the use of new intelligent cloud-based technology to improve scalability and enhance operational efficiencies throughout the fitness, wellness and beauty service industries’ value chain.
- 3.2 The Board is of the view that the Proposed Acquisition will provide shareholders with diversified returns and offer the Company a suite of intelligent software solutions that can add new capabilities and consumer outreach to its recent acquisition in the online ticketing sector (via the acquisition of a 51% stake in Asia Box Office Pte Ltd (“**ABO**”). New capabilities that the Target possesses such as end user analytics will enable ABO to enhance its user experience and provide more targeted sales of both event tickets. This outcome will in turn reduce customer acquisition cost, increase customer loyalty and drive higher revenue per user. The Company envisages that the Proposed Acquisition will provide additional revenue streams and improve its prospects in the ecommerce sector.

4. CONDITIONS PRECEDENT

The exact terms of the Proposed Acquisition are still subject to further negotiations. In addition, the Proposed Acquisition is conditional, inter alia, upon Parties agreeing, signing and exchanging the S&P Agreement, upon the Company conducting an independent valuation of the Target and the Parties agreeing on the price of the Sale Shares, and the Company conducting and being satisfied with the results of, legal and financial due diligence concerning the Target and its business, assets and liabilities and any other matters the Company considers necessary.

5. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 5.1 None of the Directors or their respective associates has any interest, direct or indirect, in the Proposed Acquisition other than their respective shareholdings in the Company.
- 5.2 To the best information, belief and knowledge of the Company and its Directors, no controlling shareholder or their respective associates has any interest, direct or indirect, in the Proposed Acquisition.

6. RESPONSIBILITY STATEMENT

- 6.1 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.
- 6.2 Where information in this 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. FURTHER ANNOUNCEMENTS

The Company will make the relevant update announcements on the Proposed Acquisition in compliance with the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited, including information required under Chapter 10 of the Catalist Rules, upon finalisation of the terms and conditions of the S&P Agreement or as and when there are material developments on this matter.

8. CAUTION IN TRADING

Please note that the MOU is subject to, *inter alia*, the execution of the S&P Agreement among the Parties. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company. In particular, shareholders and potential investors should note that there is no assurance that any business activities or transactions mentioned in this announcement will materialise. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisors.

By Order of the Board

Poh Wee Chiow, Roger
Executive Director

5 June 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd. (the “Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume 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.

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