



ALLIED TECHNOLOGIES LIMITED

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

PROPOSED ACQUISITION OF 51% OF THE ENTIRE ISSUED AND FULLY PAID-UP ORDINARY SHARES IN THE CAPITAL OF ASIA BOX OFFICE PTE. LTD.

1. INTRODUCTION

1.1 The Proposed Acquisition

The board of directors (the “**Board**”) of Allied Technologies Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcements made on 24 January 2018 and 22 March 2018 in relation to the memorandum of understanding in connection with the proposed acquisition of 51% of the entire issued and fully paid-up ordinary shares in the capital of Asia Box Office Pte. Ltd. (the “**Target**”) (the “**Proposed Acquisition**”), and wishes to announce that the Company had on 3 April 2018 entered into a sale and purchase agreement (“**SPA**”) with Platform Internet Capital Pte. Ltd. (the “**Vendor**”) to purchase 51,000 issued and fully paid-up ordinary shares in the Target representing 51% of the entire issued and paid-up capital of the Target free from all encumbrances and together with all rights attaching thereto for the consideration sum of S\$30 million and on the terms of the SPA.

2. THE TARGET AND THE VENDOR

2.1 Information on the Target

The Target is a company incorporated under the laws of Singapore and is in the business of operating an e-commerce ticketing solutions platform for venues and event organisers, with focus on sports, entertainment and lifestyle events in Southeast Asia and Greater China. The Target recently announced that it is the promoter and ticketing partner of Cirque Du Soleil Inc.’s Big Top touring show “KOOZA” in Hong Kong between the months of April 2018 and June 2018, as one of its major projects. In terms of past events, the Target has been the e-commerce and events partner to Bryan Adam’s “Get Up Tour”, KBS Music Bank World Tour held in Suntec City Convention Centre and the annual Christmas Wonderland held at Gardens by The Bay.

Based on the unaudited management accounts for the financial period ended 30 June 2017 (being the 16 months unaudited management accounts since incorporation), the unaudited net tangible assets of the Target as at 30 June 2017 was S\$265,000 and the net profit for the financial period from the date of its incorporation until 30 June 2017 of the Target amounted to S\$165,000.

2.2 Information on the Vendor

The Vendor is an investment holding company incorporated in Singapore which invests in early to mid-stage start-ups in e-commerce and internet related ventures. The sole shareholder and director of the Vendor is Lam Yee Kee and is not related to any of the directors on the Board or controlling shareholders of the Company or their respective associates.

3. KEY TERMS OF THE PROPOSED ACQUISITION

3.1 Key terms

3.1.1 SPA

The Company will be purchasing 51,000 issued and fully paid-up ordinary shares in the capital of the Target, representing 51% of the entire issued and paid-up capital of the Target free from all encumbrances and together with all rights attaching thereto on the terms of the SPA. Following completion of the Proposed Acquisition ("**Completion**"), the Target will become a subsidiary of the Company.

3.1.2 Consideration

The total purchase consideration ("**Consideration**") for the Proposed Acquisition is S\$30 million. The Consideration will be satisfied in cash. The Consideration was negotiated at arm's length on a "willing buyer, willing seller" basis, after taking into account the business prospects of the Target and on the basis of the independent valuation report (see 3.1.3). The Consideration values 100% of the Target at approximately S\$59 million.

3.1.3 Independent Valuation

The Company commissioned Alternative Advisors Pte. Ltd. ("**Independent Valuer**") as the independent valuer to assess the indicative fair market value of the shares of the Target and their findings are set out in a valuation report dated 3 April 2018 (the "**Valuation Report**"). According to the Valuation Report, as at 28 February 2018, the range of the indicative fair market value of the shares of the Target was S\$57 million to S\$62 million for 100% of the Target. The valuation by the Independent Valuer was derived from both a discounted cash flow method and a market valuation method.

3.1.4 Conditions Precedent

Completion of the Proposed Acquisition under the SPA shall, unless waived, be conditional upon ("**Conditions Precedent**"), amongst others:

- (a) the Company being satisfied in its sole discretion with the results of the due diligence (whether legal, financial, contractual, tax or otherwise) to be carried out by the Company and/or its advisers on the Target, including without limitation the title to and the status and condition of any properties (whether movable or immovable), assets (whether tangible or intangible), liabilities, businesses, operations, records, financial position, accounts, results, legal and corporate structure, its subsidiaries and associated companies and the Vendor procuring the Target to regularise and/or resolve any issues raised under the said due diligence;
- (b) all necessary requirements under the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual, Section B: Rules of Catalyst ("**Catalist Rules**") and all necessary consents or approvals (if any) being granted whether by third parties or otherwise including governmental or regulatory bodies or competent authorities having jurisdiction over the transactions contemplated under the SPA and where any such consent or approval is subject to any conditions, such conditions being reasonably acceptable to the party on which they are imposed, and if such conditions being fulfilled before Completion and such consents or approvals not being revoked or repealed on or before Completion;
- (c) the receipt of approvals of the respective board of directors of the Company and the Target;
- (d) there being no adverse change (as determined by the Company in its sole and absolute discretion) in the global economy and the prospects, operations or financial condition of the Target occurring on or before Completion;
- (e) no governmental authority taking, instituting, implementing or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might:

- (i) make the transactions contemplated in the SPA and all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same;
- (ii) render the Company unable to complete the Proposed Acquisition in the manner set out in the SPA; and/or
- (iii) render the Vendor unable to complete the Proposed Acquisition in the manner set out in the SPA.

If any of the Conditions Precedent is not fulfilled or waived by mutual consent of the parties by 30 June 2018 (or such other date as the parties may agree in writing), the SPA shall lapse and cease to have effect and none of the parties shall have any claim against the other for costs, damages, compensation or otherwise save that the lapsing of those provisions shall not affect any accrued rights or liabilities of the parties.

4. RATIONALE FOR THE PROPOSED ACQUISITION

- 4.1 On 24 January 2018, the Board announced that it had entered into a binding MOU for the proposed acquisition of a 51% stake in the Target.
- 4.2 On 26 March 2018, the Board had received approval from shareholders of the Company for the diversification of the Group's Business to include the following :-
 - (a) e-commerce platforms in the business of event ticketing, booking reservation systems, internet finance, payment gateways (backend) and loyalty redemption platforms;
 - (b) operating of technology and digital payment applications (frontend) that enable digital and mobile payments; and
 - (c) identify and invest in or build (whether through expertise in the Group and/or suitably qualified external personnel) proven business models relating to e-commerce or the internet of things and seek to scale them into market leading online companies,
 (collectively, the "**New Business**")
- 4.3 The Board believes that the Proposed Acquisition which falls under the general mandate of the New Business will provide shareholders of the Company with diversified returns, offer new business opportunities and provide the Group with additional revenue streams and improve its prospects, so as to enhance shareholders' value.
- 4.4 In addition to its current marquee event, Cirque Du Soleil's Big Top touring show "KOOZA" in Hong Kong, the Target is in the process of negotiating key ticketing and events partnership with more marquee events which has international market potential. It intends to expand its suite of capabilities to harness additional ancillary services and revenue by leveraging on its online ticketing capabilities such as additional events marketing and promotional campaigns for these large marquee events.

5. SOURCE OF FUNDS FOR THE PROPOSED ACQUISITION

The Proposed Acquisition will be funded through the proceeds from the issue and allotment of 675,164,460 placement shares on 31 October 2017.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 The financial effects have been prepared on a proforma basis based on the Group's unaudited consolidated financial statements for the financial year ended 31 December 2017 (“**FY2017 Results**”) and the Target's unaudited management accounts for the financial year ended 30 June 2017. The financial effects of the Proposed Acquisition on the Group set out below are purely for illustrative purposes only and do not reflect the future financial performance and position of the Company or the Group after the completion of the Proposed Acquisition.

6.2 Effect of Proposed Acquisition on the net tangible assets (“NTA”) per Share

Assuming that the Proposed Acquisition had been completed on 31 December 2017 and based on the FY2017 Results (being the end of the most recently completed financial year) and the Target's unaudited management accounts for the financial year ended 30 June 2017, the effect of the Proposed Acquisition on the NTA per share of the Company (“**Share**”) are as follows:

	Before Completion of the Proposed Acquisition	After Completion of the Proposed Acquisition
NTA (S\$'000)	99,781	99,703
Number of issued Shares ('000)	1,350,329	1,350,329
NTA per share (Singapore cents)	7.39	7.38

6.3 Effect of Proposed Acquisition on Earnings per Share (“EPS”)

Assuming that the Proposed Acquisition had taken place on 1 January 2017 and based on the FY2017 Results (being the end of the most recently completed financial year) and the Target's unaudited financial statements for the financial year ended 30 June 2017, the Proposed Acquisition would have the following effect on the Group's EPS as presented in the following table:

	Before Completion of the Proposed Acquisition	After Completion of the Proposed Acquisition
Consolidated net profit attributable to shareholders (S\$'000)	3,275	3,282
Weighted average number of Shares ('000)	796,332	796,332
EPS (Singapore cents)	0.41	0.41

7. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

Based on the FY2017 Results, the relative figures for the Proposed Acquisition computed on the bases set out in Rules 1006 (a) to (e) of the Catalist Rules are as follows:

	Relative Figures (%)
Rule 1006 (a) The net asset value of the assets to be disposed of, compared with the Group's net asset value based on the FY2017 Results.	Not applicable
Rule 1006 (b) The net profit ⁽¹⁾ attributable to the assets acquired, compared with the Group's net profit based on the FY2017 Results.	2% ⁽²⁾
Rule 1006 (c) Aggregate value of consideration given, compared with the market	39%

capitalization ⁽³⁾ of the Company as at 2 April 2018, being the last full market day with trades done immediately preceding the execution of the SPA	
Rule 1006 (d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
Rule 1006 (e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas asset by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Note:-

- (1) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (2) Computed based on the unaudited profit before tax for the financial period from the date of its incorporation till 30 June 2017 attributable to the Target of approximately S\$84,000, compared to the Group's unaudited profit before tax in FY2017 of approximately S\$3,440,000.
- (3) The market capitalisation of the Company of approximately S\$77,644,000 is determined by multiplying 1,350,328,920 Shares in issue by the volume weighted average price of S\$0.0575 of such Shares transacted as at 2 April 2018, being the market day with trades done preceding the date of the SPA.

As the relative figure calculated under Rule 1006(b) and (c) of the Listing Manual are more than 5% and does not exceed 75%, the Proposed Acquisition, is considered a Discloseable Transaction under Chapter 10 of the Catalist Rules, and therefore approval of the Company's Shareholders is not required.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors of the Board or controlling shareholders of the Company have any direct or indirect interest in the SPA or the Proposed Acquisition, other than through their respective shareholdings in the Company.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Board 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 of the Board are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors of the Board 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.

10. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

11. DOCUMENTS FOR INSPECTION

A copy each of the SPA and the Valuation Report will be available for inspection during normal business hours at the Company's registered office at 11 Woodlands Close, #10-11 Woodlands 11, Singapore 737853 for three (3) months from the date hereof.

12. CAUTIONARY STATEMENT

Shareholders of the Company should note that there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed. Accordingly, shareholders of the Company are advised to exercise caution when trading in the shares of the Company.

The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and other matters contemplated by this announcement. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD

Poh Wee Chiow, Roger
Executive Director

3 April 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (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 Catalyst. 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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