

CIRCULAR DATED 17 MAY 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of Allied Technologies Limited (the “**Company**”), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

This Circular 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 Circular, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr. Bernard Lui (Tel: 6389 3000 or email: bernard.lui@morganlewis.com).



ALLIED TECHNOLOGIES LIMITED

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

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

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	2 June 2019 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	4 June 2019 at 10.00 a.m.
Place of Extraordinary General Meeting	:	Orchid Country Club, Emerald Suite, 1 Orchid Club Road, Singapore 769162

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or is otherwise stated:

“8TPS”	:	8travelpay Intelligence & Technology (Shanghai) Co., Ltd
“ABO”	:	Asia Box Office Pte. Ltd.
“ABO Acquisition”	:	The acquisition of 51% of the entire issued and fully paid-up ordinary shares in the capital of ABO which was completed on 4 April 2018
“ABO Sale Shares”	:	51,000 issued and fully paid-up ordinary shares in ABO
“ABO SPA”	:	The sale and purchase agreement dated 3 April 2018 between the Company and the ABO Vendor in respect of the ABO Acquisition
“ABO Valuation Report”	:	The valuation report dated 3 April 2018 and issued by Alternative Advisors Pte Ltd. in connection with the ABO Acquisition
“ABO Vendor”	:	Platform Internet Capital Pte. Ltd.
“Act” or the “Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“Activpass”	:	Activpass Holdings Pte. Ltd.
“Activpass Acquisition”	:	The acquisition of 51% of the entire issued and fully paid-up ordinary shares in the capital of Activpass which was completed on 3 July 2018
“Activpass Sale Shares”	:	59,415 issued and fully paid-up ordinary shares in Activpass
“Activpass SPA”	:	The sale and purchase agreement dated 2 July 2018 between the Company and the Activpass Vendors in respect of the Activpass Acquisition
“Activpass Valuation Report”	:	The valuation report dated 25 June 2018 and issued by Baker Tilly Consultancy (Singapore) Pte Ltd in connection with the Activpass Acquisition, a summary of which is appended to this Circular as Appendix 1
“Activpass Vendors”	:	Seow See Keong and Leow Ai Li Amy
“Auditors”	:	Ernst & Young LLP

DEFINITIONS

“Board of Directors” or “Board”	:	The board of Directors of the Company for the time being
“Catalist”	:	The Catalist Board of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual, Section B: Rules of Catalist, as may be amended, varied or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 17 May 2019
“Company”	:	Allied Technologies Limited
“Director”	:	A director of the Company for the time being
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out on page 32 of this Circular
“EPS”	:	Earnings per share
“FY”	:	Financial year ended or ending, as the case may be, 31 December, unless otherwise stated
“Group”	:	The Company and its subsidiaries
“Investment Agreement”	:	The conditional investment and convertible loan agreement dated 18 May 2018 between the Company and 8TPS
“Latest Practicable Date”	:	14 May 2019, being the latest practicable date prior to the printing of this Circular
“NAV”	:	Net asset value, being total assets less total liabilities and non-controlling interests
“New Business”	:	Has the meaning ascribed to it in paragraph 2.1.4
“NTA”	:	Net tangible assets, being total assets less total liabilities and intangible assets
“Proposed Ratification”	:	The proposed ratification of the Activpass Acquisition
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
“Securities Accounts”	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account)

DEFINITIONS

“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors to whose securities accounts maintained with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Sponsor”	:	Stamford Corporate Services Pte Ltd
“%” or “per cent”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the Catalist Rules, the SFA or any modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Act, the Catalist Rules, the SFA or any modification thereof, as the case may be, unless otherwise provided.

Any reference to date and time of day in this Circular shall be a reference to Singapore date and time, unless otherwise stated.

Any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

ALLIED TECHNOLOGIES LIMITED

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

Board of Directors:

Chin Chee Choon (Independent Director/
Independent Non-Executive Chairman)
Lim Jin Wei (Independent Director)
Pok Mee Yau (Independent Director)
Low Si Ren, Kenneth (Executive Director)
Leow Wee Kia Clement (Chief Executive Officer/Executive Director)

Registered Office:

390 Orchard Road
#15-04 Palais Renaissance
Singapore 238871

17 May 2019

To: The Shareholders of the Company

Dear Sir/Madam,

THE PROPOSED RATIFICATION OF THE 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. On 4 April 2018, the Board announced that all of the conditions precedent to the acquisition of 51% of the entire issued and fully paid-up ordinary shares in the capital of ABO had been satisfied and that the ABO Acquisition had been completed. On 3 July 2018, the Board announced that all of the conditions precedent to the acquisition of 51% of the entire issued and fully paid-up ordinary shares in the capital of Activpass had been satisfied and that the Activpass Acquisition had been completed. Shareholders' approval was not previously obtained for the ABO Acquisition or the Activpass Acquisition.
- 1.2. Rule 1005 of the Catalist Rules provides that "*in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004, the sponsor may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction. The Exchange retains the discretion to determine whether the aggregation was correctly applied, and/or to direct the sponsor to aggregate other transactions.*" The SGX-ST had directed the Sponsor to aggregate the ABO Acquisition and the Activpass Acquisition. When aggregated, the ABO Acquisition and Activpass Acquisition constitute a major transaction under Chapter 10 of the Catalist Rule. Accordingly, Shareholders' approval is required for the Activpass Acquisition.
- 1.3. The Board is therefore convening an EGM to be held on 4 June 2019 at Orchid Country Club, Emerald Suite, 1 Orchid Club Road, Singapore 769162 to seek Shareholders' approval for the proposed ratification of the Activpass Acquisition.
- 1.4. The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Ratification and to seek Shareholders' approval for the resolutions set out in the Notice of EGM.
- 1.5. This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholder to whom this Circular is despatched to by the Company) or for any other purpose.

LETTER TO SHAREHOLDERS

- 1.6. This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this document.

2. THE PROPOSED RATIFICATION OF THE ACTIVPASS ACQUISITION

2.1. The ABO Acquisition

2.1.1. Background

On 24 January 2018, the Board announced that the Company had on 23 January 2018 entered into a binding memorandum of understanding with Platform Internet Capital Pte. Ltd. (the “**ABO Vendor**”) in connection with the acquisition of 51% of the entire issued and fully paid-up ordinary shares in the capital of ABO. The acquisition was subject to, *inter alia*, the parties finalizing and entering into a definitive sale and purchase agreement and other related documents in respect of the acquisition and the Company obtaining Shareholders’ approval for the diversification of its business to include investments in the technology and services sector. The terms and conditions of the definitive sale and purchase agreement were to be negotiated in good faith between the parties and agreed on within two (2) months from the date of the memorandum of understanding. On 22 March 2018, the Board announced that the parties had agreed to extend the deadline for the parties to finalize and enter into the definitive sale and purchase agreement for the acquisition to 30 April 2018.

Shareholders’ approval for the diversification of the Group’s core business, as described below, was obtained at the EGM held on 26 March 2018.

On 3 April 2018, the Board announced that the Company and the ABO Vendor had entered into a sale and purchase agreement (“**ABO SPA**”) pursuant to which the Company shall purchase 51,000 issued and fully paid-up ordinary shares in ABO (“**ABO Sale Shares**”) representing 51% of the entire issued and paid-up capital of ABO 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 ABO SPA.

On 4 April 2018, the Board announced that all of the conditions precedent to the ABO Acquisition had been satisfied and that the ABO Acquisition had been completed. As at the Latest Practicable Date, the Company owns 51% shareholding in ABO and ABO is a subsidiary of the Company. The remaining 49% shareholding in ABO is held by the ABO Vendor.

Further details of the ABO Acquisition are contained in the Company’s announcements dated 25 January 2018, 22 March 2018 and 4 April 2018. Further details on the diversification of the Group’s core business are contained in the Company’s circular dated 9 March 2018.

2.1.2. Information on ABO

ABO 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, focusing on sports, entertainment and lifestyle events in Southeast Asia and Greater China. Prior to the completion of the ABO Acquisition, ABO had been the e-commerce and events partner to Bryan Adam’s “Get Up Tour”, KBS Music Bank World Tour held in Suntec

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City Convention Centre and the annual Christmas Wonderland held at Gardens by The Bay. It was also the promoter and ticketing partner of Cirque Du Soleil Inc.'s Big Top touring show "KOOZA".

Since the completion of the ABO Acquisition, ABO has successfully organised, promoted and sold tickets to Cirque du Soleil's KOOZA touring show in Hong Kong that was held from April 2018 to June 2018. This was an achievement for ABO as it had achieved over S\$13 million in ticket sales revenue. Based on this successful initiative and strategy, ABO will continue with the same business strategy format, where it will not only be the exclusive ticketing agent, but also potentially the organiser/promoter of the event.

Prior to the completion of the ABO Acquisition and 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 ABO 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 ABO amounted to S\$165,000.

Based on the unaudited financial statements for the year ended 31 December 2018, the net tangible liabilities of ABO as at 31 December 2018 was S\$150,000.

The ABO Vendor is an investment holding company incorporated in Singapore, which invests in early to midstage start-ups in e-commerce and internet related ventures. At the time that the ABO SPA was entered into, the sole shareholder and director of the ABO Vendor was Lam Yee Kee. As at the Latest Practicable Date, the ABO Vendor is 100% owned by Klow Ventures Pte. Ltd. The sole shareholder and director of Klow Ventures Pte. Ltd. is Low Si Ren, Kenneth, who is also an Executive Director of the Company.

Prior to the completion of an ABO Acquisition, the shareholding of ABO was as follows:

Shareholder	Number of Shares	Shareholding Percentage
ABO Vendor	100,000 ordinary shares	100%
Total	100,000 ordinary shares	100%

Following the completion of the ABO Acquisition, the shareholding of ABO is as follows:

Shareholders	Number of Shares	Shareholding Percentage
Company	51,000 ordinary shares	51%
ABO Vendor	49,000 ordinary shares	49%
Total	100,000 ordinary shares	100%

2.1.3. Consideration for the ABO Acquisition

The total purchase consideration for the ABO Acquisition was S\$30 million and was satisfied in cash. The purchase consideration for the ABO Acquisition was negotiated at arm's length on a "willing buyer, willing seller" basis, after taking into account the business

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prospects of ABO and on the basis of the ABO Valuation Report as described below. The purchase consideration for the ABO Acquisition valued 100% of ABO at approximately S\$59 million.

As part of the due diligence conducted by the Company on ABO, the Company had commissioned Alternative Advisors Pte. Ltd. as the independent valuer to assess the indicative fair market value of the shares of ABO and their findings were set out in a valuation report dated 3 April 2018 (the “**ABO Valuation Report**”).

According to the ABO Valuation Report, as at 28 February 2018, the range of the indicative fair market value of the shares of ABO was S\$57 million to S\$62 million for 100% of ABO. The valuation was derived from both a discounted cash flow method and a market valuation method. The relevant information and assumptions provided to Alternative Advisors Pte. Ltd. in order for them to perform the valuation were based on revenue growth projections for 2018-2022 provided by the management team of ABO and supported by additional assumptions provided by the management team of ABO relating to addressable markets and growth strategies, as reflected in the ABO Valuation Report.

Additionally, the Company had appointed Elitare Law LLP and Nexia TS Advisory Pte. Ltd. to conduct legal and financial due diligence on ABO respectively.

Following the completion of the valuation and due diligence, the draft ABO Valuation Report and due diligence reports, together with a board paper containing summaries of the ABO Valuation Report and due diligence reports as well as the rationale for the ABO Acquisition, were presented to the Directors, being the Directors of the Company at the material time, for their review.

The ABO Acquisition was funded through the proceeds from the issue and allotment of 675,164,460 placement shares by the Company on 31 October 2017. Please refer to the Company’s announcements dated 21 September 2017, 2 October 2017, 24 October 2017 and 31 October 2017 in respect of the issue and allotment of the placement shares.

2.1.4. Rationale for the ABO Acquisition

The Company had received Shareholders’ approval at its extraordinary general meeting held on 26 March 2018 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) identifying and investing in or building (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 seeking to scale them into market leading online companies,

(collectively, the “**New Business**”).

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At the time that the ABO SPA was entered into, the Board was of the view that the ABO Acquisition, which falls under the general mandate of New Business, will provide Shareholders 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.

2.2. The Activpass Acquisition

2.2.1. Background

On 5 June 2018, the Board announced that the Company had entered into a binding memorandum of understanding on 4 June 2018 with Seow See Keong and Leow Ai Li Amy (the "**Activpass Vendors**") in connection with the acquisition of 51% of the entire issued and fully paid-up ordinary shares in the capital of Activpass. The acquisition was subject to, inter alia, the parties finalizing and entering into a definitive sale and purchase agreement and other related documents in respect of the acquisition. The terms and conditions of the definitive sale and purchase agreement were to be negotiated in good faith between the parties and agreed on within two (2) months from the date of the memorandum of understanding.

On 2 July 2018, the Board announced that the Company had entered into a sale and purchase agreement dated 2 July 2018 ("**Activpass SPA**") with the Activpass Vendors pursuant to which the Company agreed to purchase 59,415 issued and fully paid-up ordinary shares in Activpass ("**Activpass Sale Shares**") representing 51% of the entire issued and paid-up capital of Activpass for the consideration sum of S\$25.2 million and on the terms of the Activpass SPA.

On 3 July 2018, the Board announced that all the conditions precedent to the Activpass SPA had been satisfied and that the Company had completed the Activpass Acquisition. As at the Latest Practicable Date, the Company owns 51% shareholding in Activpass and Activpass is a subsidiary of the Company. The remaining shareholding in Activpass is owned by the Activpass Vendors as set out in paragraph 2.2.2 below.

Further details of the Activpass Acquisition are contained in the Company's announcements dated 5 June 2018, 2 July 2018 and 3 July 2018.

2.2.2. Information on Activpass and the Activpass Vendors

Activpass 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. Activpass has a fast-growing network of over 500 businesses and independent professionals offering a wide range of services from personal training to aesthetics treatment.

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Since the completion of the Activpass Acquisition in July 2018, Activpass has continued to scale its partnerships and operations with merchants and partners such as DBS Bank and OCBC Bank. Activpass is the midst of negotiating several substantial partnerships with a telco and insurance company and the Company will make the necessary announcements if there are any material developments in this regard as and when appropriate.

Prior to the completion of the Activpass Acquisition and based on the unaudited management accounts as at 3 April 2018, the net tangible assets of Activpass as at 3 April 2018 was S\$193,000.

Based on the unaudited financial statements for the year ended 31 December 2018, the net tangible liabilities of Activpass as at 31 December 2018 was S\$47,000.

Further to the profit warning announcement dated 15 April 2019 which was made by the Company in respect of its financial results for FY2018 and the announcement dated 8 May 2019 which was made by the Company in respect of the key concerns highlighted and observations made by the Auditors to the Board during the process of their audit of the Group for FY2018, the Company is expected to report a net loss in respect of its financial results for FY2018. The expected net loss is mainly attributable to impairment losses on certain assets of the Group, being those acquired pursuant to the ABO Acquisition and the Activpass Acquisition, which are expected to be greater than the profits generated from operations. Further details of the profit warning and the key concerns raised by the Auditors are contained in the Company's announcements dated 15 April 2019 and 8 May 2019.

At the time that that the Activpass SPA was entered into, the Activpass Vendors were Seow See Keong and Leow Ai Li Amy. Seow See Keong was the founder and Chief Executive Officer of Activpass and Leow Ai Li Amy was in charge of developing Activpass' marketing channels, partnerships and content. Following the completion of the Activpass Acquisition, both the Activpass Vendors have remained in the management of Activpass.

Prior to the completion of the Activpass Acquisition, the shareholding of Activpass was as follows:

Shareholders	Number of Shares	Shareholding Percentage
Seow See Keong	87,375 ordinary shares	75%
Leow Ai Li Amy	29,125 ordinary shares	25%
Total	116,500 ordinary shares	100%

The 59,415 Activpass Sale Shares purchased by the Company consisted of 44,562 Activpass Sale Shares owned by Seow See Keong and 14,853 Activpass Sale Shares owned by Leow Ai Li Amy.

LETTER TO SHAREHOLDERS

Following the completion of the Activpass Acquisition, the shareholding of Activpass is as follows:

Shareholders	Number of Shares	Shareholding Percentage
Company	59,415 ordinary shares	51.0%
Seow See Keong	42,813 ordinary shares	36.7%
Leow Ai Li Amy	14,272 ordinary shares	12.3%
Total	116,500 ordinary shares	100.0%

2.2.3. Key Terms of the Activpass Acquisition

Sale and Purchase Agreement

Pursuant to the Activpass SPA, the Company agreed to purchase 59,415 issued and fully paid-up ordinary shares in the capital of Activpass, representing 51% of the entire issued and paid-up capital of Activpass free from all encumbrances and together with all rights attaching thereto on the terms of the Activpass SPA.

Consideration

The total purchase consideration for the Activpass Acquisition was S\$25.2 million and was satisfied in cash. The purchase consideration for the Activpass Acquisition was negotiated at arm's length on a "willing buyer, willing seller" basis, after arm's length negotiations between the Company and the Activpass Vendors and which was paid by the Company to the Activpass Vendors in cash on the date of completion of the Activpass Acquisition as follows:

Activpass Vendor	Number of Activpass Sale Shares Sold	Consideration	Shareholding (after the completion of the Activpass Acquisition)
Seow See Keong	44,562	S\$18,900,318	36.7%
Leow Ai Li Amy	14,853	S\$6,299,682	12.3%
Total	59,415	S\$25,200,000	49.0%

The basis for the purchase consideration paid for the Activpass Acquisition was the valuations provided in the Activpass Valuation Report as detailed in paragraph 2.2.4 below.

Based on the unaudited financial statements for the year ended 31 December 2018, the intangible assets balance of S\$55.5 million relates to the recognition of provisional goodwill arising from the ABO Acquisition and the Activpass Acquisition which were completed in 2QFY2018 and 3QFY2018 for a consideration of S\$30 million and S\$25.2 million respectively. The goodwill was computed based on the difference between the net assets and total consideration for both the ABO Acquisition and the Activpass Acquisition. It is common for companies in the e-commerce industry to recognize goodwill.

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Conditions Precedent

Completion of the Activpass Acquisition under the Activpass SPA was conditional upon, amongst others:

- (a) the Company conducting an independent valuation of Activpass and the parties agreeing on the price of the Activpass Sale Shares;
- (b) the satisfactory outcome of the Company's due diligence exercise concerning Activpass and its business, assets and liabilities and any other matters the Company deems necessary;
- (c) all necessary approvals, consents and waivers of any government bodies, stock exchange and other regulatory authority having jurisdiction over the transactions contemplated in the Activpass SPA and all other transactions in connection therewith and incidental thereto, having been obtained by the Activpass Vendors or the Company;
- (d) the parties using their respective best endeavours to ensure that the conditions precedent shall be fulfilled on or before 30 July 2018; and
- (e) each of the warranties in the Activpass SPA being complied with, true, complete, accurate and correct in all material respects to the best knowledge and belief of the Activpass Vendors and the Company as at the date of the Activpass SPA and until the date of completion of the Activpass SPA.

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

2.2.4. Independent Valuation of Activpass

As part of the due diligence conducted by the Company on Activpass, the Company had commissioned Baker Tilly Consultancy (Singapore) Pte Ltd as the independent valuer to provide an independent valuation of Activpass and their findings were set out in a valuation report dated 25 June 2018 (the "**Activpass Valuation Report**"). The Activpass Valuation Report provided for an investment value for 100% of Activpass' equity as approximately between S\$57,000,000 and S\$60,700,000 as at 30 June 2018. In arriving at the investment value, Baker Tilly Consultancy (Singapore) Pte Ltd relied on the income approach using the discounted cash flow method. A summary of the Activpass Valuation Report is appended as Appendix 1 to this Circular. The consideration for the Activpass Acquisition was at a discounted range of between 13.3% to 18.6% approximately to the valuation contained in the Activpass Valuation Report. The relevant information and assumptions provided to Baker Tilly Consultancy (Singapore) Pte Ltd in order for them to perform the valuation were based on revenue growth projections for 2018-2023 provided by the management team of Activpass and supported by additional assumptions provided by the management team of Activpass relating to addressable markets and growth strategies, as reflected in the Activpass Valuation Report.

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Additionally, the Company had also appointed Morgan Lewis Stamford LLC and Nexia TS Advisory Pte. Ltd. to conduct legal and financial due diligence on Activpass respectively.

A board paper containing the rationale for the Activpass Acquisition was presented to the Directors, being the Directors of the Company at the material time, for their review. Following the Board's approval of the Activpass Acquisition, the respective professionals were appointed to conduct the valuation and due diligence.

2.2.5. Source of Funds

The Activpass Acquisition was funded through internal resources and the proceeds from the issue and allotment of 420,000,000 placement shares by the Company on 3 July 2018. Please refer to the Company's announcements dated 18 June 2018, 26 June 2018 and 3 July 2018 in respect of the issue and allotment of the placement shares.

2.2.6. Ancillary Arrangements in connection with the Activpass Acquisition

Waiver and Settlement

Seow See Keong, one of the Activpass Vendors, had agreed to:

- (a) waive the sum of S\$38,377 which he had loaned to Activpass absolutely as at the date of completion of the Activpass Acquisition;
- (b) settle directly by himself without any recourse to Activpass all sums owed to E2logy Software Solutions Pvt. Ltd. by Activpass, being software development costs amounting to S\$177,460 as of the date of completion of the Activpass Acquisition, within 14 business days of the completion of the Activpass Acquisition.

The purchase consideration for the Activpass Acquisition did not take into account the above waiver and undertaking as these constituted post-completion matters.

Shareholders' Agreement

In connection with the Activpass Acquisition, the Company and the Activpass Vendors had also entered into a shareholders' agreement ("**SHA**") on 24 July 2018 in relation to Activpass to regulate the relationship between the shareholders of Activpass.

Under the terms of the SHA, the board of directors of Activpass shall consist of 5 directors, of which 3 directors shall be appointed by the Company and 2 directors shall be appointed by the respective Activpass Vendors. The chairman of the board of directors of Activpass shall always be appointed by the Company. Each shareholder of Activpass has a right of first refusal on any proposed transfer of shares in Activpass by any shareholder. The SHA also contains shareholder customary drag and tag-along rights.

2.2.7. Rationale for the Activpass Acquisition

The Activpass Acquisition was part of the Company's efforts to diversify its business operations and invest in technology solutions which the Company believed would have strong potential for growth. The technology-driven business model of Activpass deployed the use of new intelligent cloud based technology to improve scalability and enhance operational efficiencies throughout the fitness, wellness and beauty service industries'

LETTER TO SHAREHOLDERS

value chain. There was no change in the risk profile of the Company as the Activpass Acquisition was in line with the current business of the Company. The business carried out by Activpass is part of the New Business of the Company, for which the Company had obtained Shareholders' approval as part of the diversification of the Group's business.

At the time of entry into the Activpass SPA, the board of directors of the Company at the relevant time was of the view that the Activpass Acquisition would provide Shareholders with diversified returns and offer the Company a suite of intelligent software solutions that could add new capabilities and consumer outreach to its recent acquisition in the online ticketing sector by way of the ABO Acquisition. New capabilities that Activpass possessed such as end user analytics would enable ABO to enhance its user experience and provide more targeted sales of both event tickets. This outcome would in turn reduce customer acquisition cost, increase customer loyalty and drive higher revenue per user. The Company envisaged that the Activpass Acquisition would provide additional revenue streams and improve its prospects in the e-commerce sector.

As mentioned in paragraph 2.1.4 above, the Company had obtained approval from Shareholders for the diversification of the Group's business to include the New Business, which included e-commerce platforms in the business of event ticketing, booking reservation systems, internet finance, payment gateways (backend) and loyalty redemption platforms. The businesses carried on by ABO and Activpass formed part of the New Business of the Group.

The Group's current business direction and focus is to continue its metal stamping/manufacturing business carried out under Allied Technologies Holdings Pte. Ltd., a wholly-owned subsidiary of the Company. Additionally, the Company also intends to incorporate a wholly-owned subsidiary of the Company, which will act as the holding company for all of the Group's e-commerce businesses, namely the businesses being carried out by ABO and Activpass. The adoption of such a corporate structure will allow for a clearer segregation of the 2 core business divisions of the Company, being the metal stamping/manufacturing business division and the e-commerce business division, so as to provide Shareholders with a clearer understanding of the Group's goals in growing the business divisions, with the goal of potentially spinning off these business divisions by way of separate listings if and when there is interest or when such opportunities may arise. The Company is also considering opportunities to acquire suitable businesses that are complementary to the Group's current businesses, as well as to provide the Company with stable cash flow and tangible assets.

The Company will make the necessary announcements in respect of any of the above matters if there are any material developments in this regard as and when appropriate.

2.2.8. Value of the Activpass Sale Shares

Book Value, Net Asset Value and Net Tangible Assets

Based on the unaudited financial statements of the Group for the financial year ended 31 December 2018, the book value and NAV of the Activpass Sale Shares was negative \$24,000 and the NTL of the Activpass Sale Shares was \$24,000.

LETTER TO SHAREHOLDERS

Net Loss

Based on the the unaudited financial statements of the Group for the financial year ended 31 December 2018, the net loss attributable to the Activpass Sale Shares by Activpass was \$123,000.

3. FINANCIAL EFFECTS OF THE ACTIVPASS ACQUISITION

The financial effects have been prepared on a pro forma basis based on the audited financial statements of the Group for the financial year ended 31 December 2017. The financial effects of the Activpass 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 Activpass Acquisition.

3.1. NTA

Assuming that the Activpass Acquisition had been completed on 31 December 2017, the effect of the Activpass Acquisition on the NTA per Share is as follows:

	Before the Completion of the Activpass Acquisition	After the Completion of the Activpass Acquisition
NTA (S\$'000)	99,781	99,650
Number of shares	1,350,329	1,350,329
NTA per share (Singapore cents)	7.39	7.38

3.2. Earnings per Share

Assuming that the Activpass Acquisition had taken place on 1 January 2017, the Activpass Acquisition would have the following effect on the Group's earnings per Share as presented in the following table:

	Before the Completion of the Activpass Acquisition	After the Completion of the Activpass Acquisition
Consolidated net profit attributable to Shareholders (S\$'000)	3,275	3,256
Weighted average number of Shares	796,332	796,332
Earnings per share (Singapore cents)	0.41	0.41

3.3. Share Capital

The Activpass Acquisition will not have any effect on the share capital and shareholding structure of the Company as it does not involve the allotment and issuance of any new shares in the Company and the consideration for the Activpass Acquisition is satisfied in cash.

LETTER TO SHAREHOLDERS

3.4. Gearing

Assuming that the Activpass Acquisition had been completed on 31 December 2017, the Activpass Acquisition would have the following effect on the Group's gearing as presented in the following table:

	Before the Completion of the Activpass Acquisition	After the Completion of the Activpass Acquisition
Total Borrowings (S\$'000)	5,139	5,139
Shareholders' Equity (S\$'000)	99,781	99,781
Gearing ratio (times)	0.05	0.05

4. MAJOR TRANSACTION

4.1. ABO Acquisition

The relative figures for the ABO Acquisition computed on the bases set out in Rule 1006 are as follows:

Rule 1006	Bases	Size of Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. Not applicable to an acquisition of assets.	Not applicable
(b)	The net profits ⁽¹⁾ attributable to the assets acquired, compared with the Group's net profits	2.4% ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	38.6% ⁽³⁾
(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
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

Notes:

- (1) Under Rule 1002(3)(b) of the Catalist Rules, "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 ABO 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 ABO SPA.

LETTER TO SHAREHOLDERS

4.2. Activpass Acquisition

The relative figures for the Activpass Acquisition computed on the bases set out in Rule 1006 are as follows:

Rule 1006	Bases	Size of Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. Not applicable to an acquisition of assets.	Not applicable
(b)	The net profits ⁽¹⁾ attributable to the assets acquired, compared with the Group's net profits	3.3% ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	36.6% ⁽³⁾
(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
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

Notes:

- (1) Under Rule 1002(3)(b) of the Catalyst Rules, "net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (2) The audited net profits of the Group for the financial year ended 31 December 2017 were S\$3,438,090. 51% of the extrapolated unaudited net profits attributable to the Target for the financial year ended 30 June 2018 was S\$112,024. Based on 100% of the extrapolated unaudited net profits, the net profits attributable to the assets acquired, compared with the Group's net profits shall be 6.00%.
- (3) Based on the consideration of S\$25,200,000 for the Activpass Acquisition, and the Company's market capitalisation of approximately S\$68,866,775. The Company's market capitalisation is determined by multiplying the number of Shares in issue 1,350,328,920 (excluding treasury shares) by the volume weighted average of S\$0.051 per Share on 29 June 2018, being the full market day immediately preceding the signing of the Activpass SPA.

4.3. Aggregation of the ABO Acquisition and the Activpass Acquisition

Rule 1005 of the Catalyst Rules provides: *"In determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004, the sponsor may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction. The Exchange retains the discretion to determine whether the aggregation was correctly applied, and/or to direct the sponsor to aggregate other transactions."*

LETTER TO SHAREHOLDERS

Based on the SGX-ST's recommended practice, the above rule may apply even if the acquisitions were made from different vendors. Accordingly, the SGX-ST had directed the Sponsor to aggregate the ABO Acquisition, which was announced on 24 January 2018 and completed on 3 April 2018, and the Activpass Acquisition which was announced on 2 July 2018 and completed on 3 July 2018 as a single transaction.

The relative figures for the ABO Acquisition and Activpass Acquisition (aggregating both the ABO Acquisition and the Activpass Acquisition) computed on the bases set out in Rule 1006 are as follows:

Rule 1006	Bases	Size of Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. Not applicable to an acquisition of assets.	Not applicable
(b)	The net profits attributable to the assets acquired, compared with the Group's net profits	5.7% ⁽¹⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	75.2% ⁽²⁾
(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
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

Notes:

- (1) The percentage is arrived at by adding the Rule 1006(b) computation in respect of the ABO Acquisition, as set out in paragraph 4.1, with the Rule 1006(b) computation in respect of the Activpass Acquisition, as set out in paragraph 4.2.
- (2) The percentage is arrived at by adding the Rule 1006(c) computation in respect of the ABO Acquisition, as set out in paragraph 4.1, with the Rule 1006(b) computation in respect of the Activpass Acquisition, as set out in paragraph 4.2.

Given that on an aggregate basis, the relative figure computed on the base set out in Rule 1006(c) exceeds 75% but is less than 100%, the Activpass Acquisition constitutes a major transactions under Chapter 10 of the Catalist Rules. Accordingly, the Company is seeking ratification of the Activpass Acquisition.

LETTER TO SHAREHOLDERS

4.4. Voting Undertakings

The Company has not received any undertakings to vote in favour of the Proposed Ratification.

4.5. Consequences of Non-Ratification

Shareholders should note that in the event that the Proposed Ratification is not approved at the EGM, the Company may potentially be directed by the Sponsor and/or the SGX-ST to take appropriate steps to effect a disposal of the Activpass Sale Shares or the assets of Activpass. Any such disposal may be done at a loss and further transaction costs may be incurred by the Company in connection with any such disposal. To this end, the financials of the Group may be materially affected in the event that the Proposed Ratification is not approved at the EGM.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 5.1. As at the Latest Practicable Date, the interests of the Directors in the issued and paid-up share capital as recorded in the Register of Directors' Shareholdings and the interests of the Substantial Shareholders in the issued and paid-up capital of the Company as recorded in the Register of Substantial Shareholder(s) are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Chin Chee Choon	—	—	—	—
Lim Jin Wei	—	—	—	—
Pok Mee Yau	—	—	—	—
Leow Wee Kia Clement	—	—	—	—
Low Si Ren, Kenneth	100,000,000	5.65	—	—
Substantial Shareholder(s)				
Lim Tah Hwa @ Lin Tah Hwa	168,000,000	9.49	—	—
Quantum Global Limited ⁽²⁾	140,000,000	7.91	—	—

Notes:

(1) Based on 1,770,328,920 issued Shares (excluding treasury shares) as at the Latest Practicable Date

(2) Tang Junwei is deemed to have an interest in the 140,000,000 Shares held by Quantum Global Limited.

- 5.2. None of the Directors or Substantial Shareholders (other than in their capacity as a Director or Shareholder) has any interest, direct or indirect, in the Activpass Acquisition.

6. DIRECTORS' SERVICE CONTRACTS

No person was appointed as a Director of the Company in connection with the Activpass Acquisition and accordingly, no service contract was entered into between the Company and any such person.

LETTER TO SHAREHOLDERS

7. PROPOSED INVESTMENT IN 8TRAVELPAY INTELLIGENCE & TECHNOLOGY (SHANGHAI) CO., LTD

The Directors refer to the conditional investment and convertible loan agreement dated 18 May 2018 (the “**Investment Agreement**”) between the Company and 8TPS pursuant to which (i) the Company agreed to subscribe for 10% of the enlarged total share capital of 8TPS for US\$2.5 million, (ii) the Company agreed to extend a convertible loan of US\$2.5 million which is convertible to a further 7% of the enlarged total share capital of 8TPS, and (iii) 8TPS agreed to grant an option to the Company to subscribe for a further 8% of the enlarged total share capital of 8TPS for US\$4 million on the terms of the Investment Agreement.

The Directors wish to update Shareholders that the parties have mutually agreed to terminate the Investment Agreement with effect from 15 May 2019 and that the transactions under the Investment Agreement did not materialize.

8. DIRECTORS’ RECOMMENDATION

Having considered the terms, the rationale and the benefits of the Proposed Ratification, as well as the consequences of the non-ratification of the Activpass Acquisition as set out in paragraph 4.5, the Directors are of the view that the Proposed Ratification is in the best interests of the Company and accordingly recommend that the Shareholders vote in favour of the resolution for the Proposed Ratification.

9. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Activpass Acquisition, the Proposed Ratification, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular 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 the Circular in its proper form and context.

10. EXTRAORDINARY GENERAL MEETING

The EGM will be held at Orchid Country Club, Emerald Suite, 1 Orchid Club Road, Singapore 769162 on 4 June 2019 at 10.00 a.m. for the purpose of considering and, if thought fit, resolving to the pass, with or without modifications, the resolutions set out in the Notice of EGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not less than 48 hours before the time fixed for the EGM. The completion and lodgement of the Proxy Form by a Shareholder will not prevent him or her from attending and voting at the EGM in person if he or she so wishes.

LETTER TO SHAREHOLDERS

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his or her name appears on the Depository Register as at 72 hours before the EGM.

12. DOCUMENTS FOR INSPECTION

Copies of the following documents are available at the registered office of the Company at 390 Orchard Road #15-04 Palais Renaissance Singapore 238871 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Activpass SPA: and
- (b) the Activpass Valuation Report.

Yours faithfully

For and on behalf of the Board of Directors of
Allied Technologies Limited

Leow Wee Kia Clement
Chief Executive Officer & Executive Director



Project Lifestyle

Allied Technologies Limited

Pricing Analysis
25 June 2018



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APPENDIX 1 – SUMMARY OF ACTIVPASS VALUATION REPORT



Allied Technologies Limited
11 Woodlands Close #10-11/12
Woodlands 11
Singapore 737853

Attn: Mr Roger Poh Wee Chiow
Executive Director

Dear Mr Poh,

Pricing Analysis: Project Lifestyle

Baker Tilly Consultancy (Singapore) Pte Ltd ("BTC" or "We") was engaged by Allied Technologies Limited's ("Allied Tech" or "Acquirer") board of directors ("Board") to perform a pricing analysis to estimate an investment value range for 100% equity of Activpass Holdings Pte Ltd ("AHPL" or "Target") ("Pricing Analysis") as at 30 June 2018 ("Pricing Analysis Date").

We have prepared this Pricing Analysis report ("Report") in accordance with our engagement letter dated 20 June 2018 and assumptions and limiting conditions stated in Appendix 1.

We would like to express our appreciation to the AHPL's management ("Management") for their input and facilitation during the course of this engagement.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Mun Siding Yoong".

Mun Siding Yoong
Partner, Deal Advisory

Baker Tilly Consultancy (Singapore) Pte Ltd

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Glossary of Terms and Abbreviations (1)



Capitalised words and abbreviations in this Pricing Analysis report (“Report”) have the meanings as set out below:

Term	Definition	Term	Definition
<u>Entities / Individuals</u>		<u>General</u>	
BTC or We	Baker Tilly Consultancy (Singapore) Pte Ltd	API	Application Programming Interface
Allied Tech or Acquirer	Allied Technologies Limited	Activpass	Activpass application
AHPL or Target	Activpass Holdings Pte Ltd	ANA Method	Adjusted Net Assets Method
Board	Allied Tech’s Board of Directors	CAGR	Compound Annual Growth Rate
DBS	DBS Bank Ltd	CEO	Chief Executive Officer
Fermax	Fermax Asia Pacific Pte Ltd	CPI	Consumer Price Index
Mr Seow	Mr Peter Seow	CAPEX	Capital Expenditure
Ms Leow	Ms Amy Leow Ai Li Amy	CCC	Cash Conversion Cycle
Ms Tan	Ms Jasmine Tan	Corporate App	Activpass’ Corporate Application
OCBC	Oversea-Chinese Banking Corporation Limited	DCF Method	Discounted Cash Flow Method
Vendors	Mr Seow and Ms Leow	DCF Period	1 July 2018 to 30 June 2028
SGX-ST	Singapore Exchange Securities Trading Limited	DLOM	Discount for Lack of Marketability
<u>Financial</u>		DSO	Days Sales Outstanding
FYXX	Financial Year Ended 30 June 20XX	DPO	Days Payables Outstanding
10M18	10 Months Ended 30 April 2018 / Balances as at 30 April 2018	EBIT	Earnings Before Interests and Taxes
FYXXF	Financial Year Ended 30 June 20XX (Forecast)	EBITDA	Earnings Before Interests, Taxes, Depreciation & Amortisation
Forecast Period	1 July 2018 to 30 June 2023	FCFF	Free Cash Flow to the Firm
Historical Period	1 July 2016 to 30 April 2018	GPCs	Guideline Public Companies
<u>Currency</u>		GPC Method	Guideline Public Company Method
SGD	Singapore Dollar	GPT Method	Guideline Public Transaction Method
		i+Living	iPlus integrated with Activpass
		iPlus	Security software application developed by Fermax

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Glossary of Terms and Abbreviations (2)



Capitalised words and abbreviations in this Pricing Analysis report (“Report”) have the meanings as set out below:

Term	Definition
<u>General</u>	
Management	Management of AHPL
NWC	Net Working Capital
NBV	Net Book Value
O2O	Online-To-Offline
Pricing Analysis	Pricing Analysis To Estimate an Investment Value Range for 100% Equity of AHPL
Pricing Analysis Date	30 June 2018
Proposed Acquisition	Allied Tech Proposed Acquisition of a 51% Equity Stake in AHPL
Report	Pricing Analysis Report
SaaS	Software as a Service
WACC	Weighted Average Cost of Capital
YTD	Year To Date



1. Executive Summary

Executive Summary

Headlines (1)



APPENDIX 1 – SUMMARY OF ACTIVPASS VALUATION REPORT

Item	Description
Background	<p>Allied Technologies Limited (Business Registration No. 199004310E) (“Allied Tech” or “Acquirer”) is a limited liability company that was incorporated in Singapore on 31 August 1990. Allied Tech is listed on the Catalyst Board of Singapore Exchange Securities Trading Limited (“SGX-ST”).</p> <p>Activpass Holdings Pte Ltd (Business Registration No. 201617961R) (“AHPL” or “Target”) was incorporated in Singapore on 1 July 2016. AHPL created the Activpass application (“Activpass”), a cloud-based customer relationship management software as a service (“SaaS”) intended for small and medium sized merchants in the fitness, beauty and wellness services industry.</p> <p>Allied Tech’s board of directors (“Board”) is looking to acquire a 51% equity stake in AHPL from Seow See Keong (“Mr Seow”) and Leow Ai Li Amy (“Ms Leow”), (collectively “Vendors”) (“Proposed Acquisition”).</p> <p>Accordingly, the Board appointed BTC to undertake a pricing analysis to estimate an investment value range for 100% equity of AHPL (“Pricing Analysis”) as at 30 June 2018 (“Pricing Analysis Date”).</p>
Purpose of Report	Board’s internal decision making purpose in respect of the Proposed Acquisition.
Scope of Work	Pricing analysis to estimate an investment value of the 100% equity of AHPL as at the Pricing Analysis Date.
Standard of Value	<p>Investment Value as defined by International Valuation Standards Council:</p> <p>“The value of an asset to the owner or a prospective owner for individual investment or operational objectives. This is an entity-specific basis of value. Although the value of an asset to the owner may be the same as the amount that could be realised from its sale to another party, this basis of value reflects the benefits received by an entity from holding the asset and, therefore, does not necessarily involve a hypothetical exchange. Investment value reflects the circumstances and financial objectives of the entity for which the valuation is being produced. It is often used for measuring investment performance. Differences between the investment value of an asset and its market value provide the motivation for buyers or sellers to enter the market place.”</p>
Premise of Value	Going concern.
Level of Value	Controlling, non-marketable interest.
Guidance and Approach	International Valuation Standards (2017 Edition) on business valuation published by the International Valuation Standards Council.
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Executive Summary Headlines (2)



APPENDIX 1 – SUMMARY OF ACTIVPASS VALUATION REPORT

Item	Description
Other Factors	<p>Our analysis is dependent upon, <i>inter alia</i>, the following assumptions and inputs:</p> <ul style="list-style-type: none"> • The engagement assumptions and limitations detailed in Appendix 1; • The integrity and accuracy of the information made available to us in Appendix 3 and Management’s representations; and • AHPL’s ability to achieve its forecasted financials which is driven mainly by revenues from both (i) subscription and commission fee paying merchants; and (ii) consumers. The value of AHPL’s business is directed by AHPL’s ability to: <ul style="list-style-type: none"> – Sign up merchants according to the schedule detailed in Section 4; – Motivate 70% of existing merchants in each year to renew their contracts with AHPL; – Motivate consumers to undertake an average of 0.24 to 0.40 transactions per year vs 0.34 observed in the trailing twelve months immediately prior to the Pricing Analysis Date; – Motivate consumers to spend an average of SGD20 to SGD40 worth of transactions (i.e. payments to merchants) per year vs SGD20 to SGD40 observed in the trailing twelve months prior to the Pricing Analysis Date; – Expand its business beyond Singapore to Hong Kong, Indonesia, Taiwan, Thailand, Malaysia and China; and – Achieve the forecasted EBITDA margin of 11.4% to 64.0% during the high growth period of the business cycle vs -27.7% observed over the 10 months FY18 historical period i.e. start-up phase. <p>Other factors which may impact our analysis include:</p> <ul style="list-style-type: none"> • We have relied on management accounts as at 30 April 2018 which is the closest available financials prior to the Pricing Analysis Date. Management has indicated that they are not aware of any material changes to the financials from 30 April 2018 to the Pricing Analysis Date; • If AHPL’s commercial due diligence study, i.e. in-country research to be conducted from September 2018 to June 2019, shows market penetration and purchase rates and volumes different from what has been forecasted in Section 4; • The blended discount rate i.e. country risk premium, which is based on the average of FY19F to FY23F’s geographical mix, is representative of the risks to the cash flows as long as the geographical mix does not vary from what has been forecasted; • Undisclosed arrangements or agreements in relation to AHPL which may have a material impact on our analysis and conclusions; and • Material changes in market information and economic environment subsequent to the date of this Pricing Analysis report (“Report”).

Executive Summary

Pricing Analysis Summary



Pricing Analysis Methodology

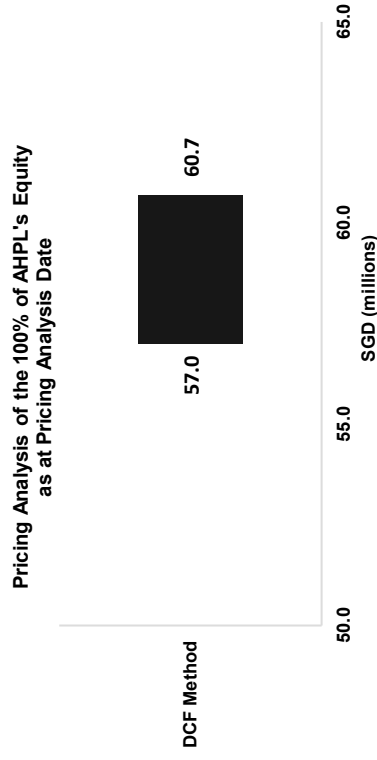
- We have considered the following pricing analysis approaches and methodologies to estimate an investment value for 100% of AHPL's equity:
 - Income Approach's Discounted Cash Flow ("DCF") Method;
 - Market Approach's Guideline Public Company ("GPC") Method and Guideline Public Transaction ("GPT") Method; and
 - Cost Approach's Adjusted Net Asset Method ("ANA Method").

- Please refer to Appendix 4 for details on the above pricing analysis methodologies.
- We have considered and not adopted the Market Approach as AHPL is a start-up.
- We are of the view that the value of AHPL is likely to be driven by its future operations. Management has also provided us a five-year forecast. On the above basis, we have adopted the Income Approach and not the Cost Approach.

Pricing Analysis Summary

- Using the DCF Method, we estimate an investment value for 100% of AHPL's equity to be between SGD57.0 million and SGD60.7 million as at the Pricing Analysis Date.

APPENDIX 1 – SUMMARY OF ACTIVPASS VALUATION REPORT





Mun Siong Yoong
Partner, Deal Advisory
D: +65 6213 6493
E: siongyoong.mun@bakertillytfw.com



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NOTICE OF EXTRAORDINARY GENERAL MEETING

ALLIED TECHNOLOGIES LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Allied Technologies Limited (the “**Company**”) will be held at Orchid Country Club, Emerald Suite, 1 Country Club Road, Singapore 769162 on 4 June 2019 at 10.00 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions:

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed thereto in the circular dated 17 May 2019 to the Shareholders of this Company.

ORDINARY RESOLUTION: THE PROPOSED RATIFICATION OF THE ACTIVPASS ACQUISITION

That:

- (a) the acquisition by the Company of 59,415 ordinary shares in Activpass Holdings Pte. Ltd. (“**Activpass**”), representing 51% of the entire issued and fully paid-up share capital of Activpass, from Seow See Keong and Leow Ai Li Amy for an aggregate consideration of S\$25.2 million satisfied by way of cash in accordance with the terms and conditions of the sale and purchase agreement dated 2 July 2018 (“**Activpass SPA**”) between the Company, Seow See Keong and Leow Ai Li Amy (the “**Activpass Acquisition**”), as a major transaction pursuant to Chapter 10 of the Catalist Rules, be hereby approved, confirmed and ratified;
- (b) the execution by the Company of the Activpass SPA be hereby approved, confirmed and ratified;
- (c) the Directors of the Company and each of them be and are hereby authorised to enter into all such transactions, arrangements and agreements and approve, execute and deliver all documents and do all deeds and things as may be necessary, expedient, incidental or in the interests of the Company to give effect to the approvals given in this Ordinary Resolution or the transactions contemplated by the Activpass Acquisition and the Proposed Ratification; and
- (d) all actions taken by the Company and/or the Directors of the Company in connection with, relating to or arising from the Activpass Acquisition and the Proposed Ratification be and are hereby ratified, confirmed and approved.

By Order of the Board
ALLIED TECHNOLOGIES LIMITED

Leow Wee Kia Clement
Chief Executive Officer & Executive Director
Singapore, 17 May 2019

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
2. A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act (Cap. 50)) is entitled to appoint not more than two proxies and where two proxies are appointed, shall specify the proportion of shareholding to be represented by each proxy.
3. A member who is a relevant intermediary is entitled to appoint more than two proxies and where such member's form of proxy appoints more than one proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form. Each proxy must be appointed to exercise the rights attached to the different share or shares held by such member.
4. In any case where more than one proxy is appointed, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100 per cent of the shareholding and any second named proxy as an alternate to the first named.
5. If the appointer is a corporation, the instrument appointing a proxy must be executed either under its seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 390 Orchard Road #15-04 Palais Renaissance Singapore 238871 not less than forty-eight (48) hours before the time appointed for holding the EGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representative appointed for the EGM (including any adjournment thereof), and in order for the Company (or its agents or services providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representatives to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representatives for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representatives for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

ALLIED TECHNOLOGIES LIMITED

(Company Registration No. 199004310E)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overlaid before completing this Form)

IMPORTANT:

1. For investors who have used their CPF monies to buy Allied Technologies Limited shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Extraordinary General Meeting ("EGM") as an observer must submit their requests through their CPF Approved Nominees in accordance with their instructions within the timeframe specified. If they also wish to vote, they must submit their voting instructions to their CPF Approved Nominees within the timeframe specified to enable them to vote on their behalf.

I/We, _____ NRIC/PASSPORT No. _____

of _____

being a Member/Members of Allied Technologies Limited (the "Company") hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her/them, the Chairman of the EGM, as my/our proxy/proxies to vote for *me/us on *my/our behalf, and, if necessary, to demand a poll, at the EGM of the Company to be held at Orchid Country Club, Emerald Suite, 1 Orchid Club Road, Singapore 769162 on 4 June 2019 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/their discretion.

Note: Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of EGM. In the absence of specific directions or in the event of any item arising at the EGM not summarised below, the proxy/proxies may vote or abstain from voting as he/they may think fit.

Ordinary Resolution	For	Against
Ordinary Resolution: To approve the Proposed Ratification of the Activpass Acquisition		

Note: Please note that the short description given above of the Resolution to be passed does not in any way whatsoever reflect the intent and purpose of the Resolution. The short description has been inserted for convenience only. Shareholders are encouraged to refer to the notice of EGM for the full purpose and intent of the Resolution to be passed.

Dated this _____ day of _____ 2019.

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s)
Or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in the relevant Section of the Securities and Futures Act (Cap. 289)), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act (Cap. 50)) is entitled to appoint not more than two proxies and where two proxies are appointed, shall specify the proportion of shareholding to be represented by each proxy.
4. A member who is a relevant intermediary is entitled to appoint more than two proxies and where such member's form of proxy appoints more than one proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form. Each proxy must be appointed to exercise the rights attached to the different share or shares held by such member.
5. In any case where a more than one proxy is appointed, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100 per cent of the shareholding and any second named proxy as an alternate to the first named.
6. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
7. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 390 Orchard Road #15-04 Palais Renaissance Singapore 238871 not less than forty-eight (48) hours before the time appointed for the EGM.
8. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act (Cap. 50).
10. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose Shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.