

APPLICATION FOR A FURTHER EXTENSION OF TIME TO (I) HOLD ITS ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018; (II) TO ANNOUNCE ITS FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019; AND (III) TO ISSUE ITS SUSTAINABILITY REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Allied Technologies Limited (the “**Company**”) refers to the Company’s announcements dated 15 April 2019 and 8 May 2019 (the “**Previous Announcements**”) in relation to the Extension Application, the Waivers granted by the SGX-ST on 26 April 2019 in respect of the Extension Application, the SR Extension Application and the SR Waiver granted by the SGX-ST on 6 May 2019.

Unless otherwise defined, all capitalised terms shall bear the same meanings as ascribed to them in the Previous Announcements.

2. EXTENSION APPLICATION

Pursuant to the Rule 707(1) of the Catalist Rules, the Company is required to convene its AGM no later than 30 April 2019, being four (4) months after the end of FY2018. Pursuant to Rule 705(2)(b) of the Catalist Rules, the Company is required to announce its 1QFY2019 financial statements no later than 15 May 2019, being 45 days after the quarter end. Pursuant to Rule 711A of the Catalist Rules, the Company is required to issue its sustainability report for FY2018 by 31 May 2019, being no later than five (5) months after the end of FY2018.

Pursuant to the Extension Application and the SR Extension Application respectively, the Company had previously been granted an extension of time by the SGX-ST to hold its AGM and announce its 1QFY2019 financial results by 1 July 2019 and to issue its sustainability report together with its annual report on or around 14 June 2019.

3. FURTHER EXTENSION APPLICATION

The Board wishes to announce that the Company had through its Sponsor, Stamford Corporate Services Pte. Ltd. (the “**Sponsor**”), made an application to the SGX-ST on 12 June 2019 for a further extension of time to:

- (i) comply with the requirement of Rule 707(1) of the Catalist Rules for the Company to hold its AGM for FY2018;
- (ii) comply with the requirement of Rule 705(2)(b) of the Catalist Rules to announce its financial statements for 1QFY2019; and
- (iii) comply with the requirement of Rule 711A of the Catalist Rules for the Company to issue its sustainability report for FY2018,

(the “**Further Extension Application**”).

4. BASIS FOR FURTHER EXTENSION APPLICATION

4.1 Additional Time for Completion of Audit

The Auditors are still in the process of completing the audit for the Group for FY2018 and have indicated that they will require additional time to complete the audit of the Group for FY2018 as they are still reviewing management’s responses and are also awaiting the

provision of certain documents by the Group, especially in light of the new developments relating to the missing funds held in the escrow account with JLC Advisors LLC (the “**Escrow Funds**”). The Company is using all best efforts to work with the Auditors to complete the audit of the Group and are following up with all outstanding information and documents.

4.2 **Special Audit**

Further to the notices of compliance issued by the Singapore Exchange Regulation on 8 May 2019 and 23 May 2019, the Company had been directed by the Singapore Exchange Regulation to, amongst others, appoint a suitable independent special auditor to look into the observations raised by the Auditors (the “**Special Audit**”), subject to clearance by Singapore Exchange Regulation. The terms of reference and scope of the Special Audit must also be cleared by the Singapore Exchange Regulation. The Company is currently in the process of appointing a special auditor to undertake the Special Audit.

4.3 **Proposed Ratification**

The Company had originally convened an EGM on 4 June 2019 for the purposes of seeking shareholders’ approval for 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. for S\$25.2 million.

In consultation with Singapore Exchange Regulation, the Company was of the view that it would be beneficial for the EGM to be adjourned and convened only after the completion of the Special Audit such that shareholders will be able to take into consideration the findings of the Special Audit. Accordingly, with the consent of shareholders, the Company adjourned the EGM to a later date to be announced in due course. The date, time and place for the adjourned EGM will be fixed and announced in due course for the purpose of considering the proposed resolution relating to the Proposed Ratification.

5. **REASONS FOR FURTHER EXTENSION APPLICATION**

The reasons for making the Further Extension Application are set out below.

- (i) Since the Auditors’ last review of the judgmental and significant areas of impairment assessments of goodwill, impairment assessments of cost of investment and cost of investments as well as going concern assessment, there have been developments at the Group which the Company understands after consultation with the Auditors, will require re-assessment and additional audit procedures. In light of recent developments, the Auditors will have to relook the following issues:
 - (a) forecast and impairment issues for both the ABO Acquisition and the Activpass Acquisition given that the Escrow Funds have not been recovered;
 - (b) conduct a going concern assessment for all subsidiaries within the Group given the non-recovery of the Escrow Funds; and
 - (c) review the treatment of the Escrow Funds which have not been recovered.

The financial statements for FY2018 and certain key sections of the FY2018 annual report (“**Annual Report**”), including the sections relating to the letter to shareholders, regulatory compliance, risk management and internal controls, will need to be updated in light of the above circumstances.

The Company therefore requires additional time to prepare the Group’s draft financial statements for FY2018 for review, and the Auditors and the Company require additional time to complete the audit of the Group for FY2018, check that the relevant disclosure requirements have been met and review all other relevant information for consistency such that the Auditors can sign off on the audited financial accounts for

FY2018 which are to be laid at the AGM. Accordingly, the Company requires a further extension of time to convene its AGM.

- (ii) The Company also requires a similar further extension for the release of its financial statements for 1QFY2019. This further extension of time is required to allow the Company to release the 1QFY2019 financial statements prepared on the basis of the audited consolidated financial statements for FY2018 (i.e. the closing balance of the audited consolidated financial statements for FY2018 will serve as the opening balance of the financial statements for 1QFY2019).
- (iii) The Company intends to issue its sustainability report for FY2018 as part of its Annual Report. In light of this application for a further extension of time for the Company to issue its Annual Report and hold its AGM for FY2018, the Company will similarly require a further extension of time to issue its sustainability report together with its Annual Report.

6. GENERAL

The Company will also be submitting the necessary application to ACRA for a further extension of time to hold its AGM.

The Company will provide further updates to shareholders on the outcome of the Further Extension Application and the adjourned EGM in due course.

BY ORDER OF THE BOARD

Leow Wee Kia Clement
Chief Executive Officer and Executive Director
12 June 2019

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

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