

CLARIFICATION OF (I) NEWS ARTICLES AND (II) NOTICE OF COMPLIANCE

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Allied Technologies Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the following:

- (a) the article published on 8 May 2019 by The Business Times titled “*Allied Tech requests for voluntary trading, suspension, appointing special auditor*” and the article published on 8 May 2019 by The Straits Times titled “*Allied Tech suspends trading, appointing special auditor*”; and
- (b) the Notice of Compliance issued by Singapore Exchange Regulation Pte Ltd on 8 May 2019.

2. CLARIFICATION OF NEWS ARTICLES

The articles published by The Business Times and The Straits Times, as referred to above, each reported the following:

- (i) “...However, a S\$1.7 million deposit for the artist fee of the concert had not been refunded by the event financier to ABO as of Dec 31, 2018. Instead, the funds were transferred from ABO to an external related party, Platform Capital Asia Singapore (PCA). On the same day, S\$1.68 million was transferred from PCA to the event organiser”.

The Board wishes to clarify that sequentially, the funds of \$1.7 million relating to the deposit for the artist fee of the concert were transferred from ABO to a third-party entity, Platform Capital Asia (Singapore) Pte. Ltd. (“**PCA**”) on 8 June 2018. On the same day, S\$1.68 million was transferred from PCA to the event organiser. As at 31 December 2018, the \$1.7 million deposit for the artist fee of the concert has not been refunded by the event financier to ABO in accordance with the financing agreement entered into between ABO and the event financier. The director of PCA, Low Si Ren Kenneth was appointed as an Executive Director of the Company, on 27 June 2018.

- (ii) the Company had “...sold its metal stamping business in 2017, had acquired a 51 per cent stake in ABO for \$30 million on April 4; and another 51 per cent stake in Activpass Holdings, which provides software as a service solutions for businesses, for \$25.2 million on April 3. Allied Tech needs shareholders’ approval to ratify those transactions”.

The Board wishes to clarify that the Group has only disposed of its metal stamping business in the People’s Republic of China. In 2017, the Group commenced the disposal of its Suzhou subsidiary which was loss making. This subsidiary had been principally engaged in the business of toolmaking, manufacture of metal stamped parts and the provision of value-added assembly services, and the disposal was completed on 31 January 2018. The Group is currently operating its metal stamping business in Malaysia, Vietnam and Thailand. The Group also maintains a representative office in the People’s Republic of China based in Suzhou. Business at the metal stamping segment is ongoing as usual.

In addition, the Board wishes to clarify that shareholders’ approval is only required for the Activpass Acquisition and not the ABO Acquisition.

3. CLARIFICATION OF NOTICE OF COMPLIANCE

The Notice of Compliance issued by Singapore Exchange Regulation Pte Ltd, as referred to above, stated the following:

- (i) *“On 3 April 2018, the Company announced that it has entered into a sale and purchase agreement (“SPA”) with Platform Capital Asia (Singapore) Pte Ltd (“PCA”), a company in which Low Si Ren Kenneth (“Kenneth Low”), Executive Director of the Company is a director of, to purchase 51% of the entire issued and paid-up capital of ABO, for the consideration sum of S\$30 million (“Consideration”). ABO is in the business of operating an e-commerce ticketing solutions platform for venues and event organizers, with a focus on sports, entertainment and lifestyle events in Southeast Asia and Greater China.”*

The Board wishes to clarify that the Company entered into a SPA with Platform Internet Capital Pte Ltd (“PIC”) and not PCA. As at 3 April 2018, the sole shareholder and director of PIC was Lam Yee Kee, who was not related to any of the directors of the Board, controlling shareholders of the Company, nor their respective associates. As at the date of the ABO Acquisition, PIC and PCA were not related companies.

On 5 June 2018, Klow Ventures Pte Ltd (“Klow Ventures”), a company in which Kenneth Low has a 100% shareholding interest, acquired 100% of the issued and paid-up share capital of PIC from Lam Yee Kee. Thereafter, PIC and PCA became related companies and Kenneth Low has been deemed interested in 49% of the issued and paid-up share capital of ABO by virtue of his shareholding in Klow Ventures.

On 27 June 2018, Kenneth Low was appointed as an Executive Director of the Company.

- (ii) *“In relation to the Company’s E-commerce Business, the Company had also on 18 May 2018 and 3 July 2018 acquired stakes in 8travelpay Intelligence & Technology (Shanghai) Co., Ltd (“8TPS”) and Activpass Holdings Pte Ltd (“Activpass”) respectively.”*

The Board wishes to clarify that the Company did not acquire a stake in 8TPS on 18 May 2018. Pursuant to the conditional investment and convertible loan agreement dated 18 May 2018 (the “Investment Agreement”) between the Company and 8TPS, (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 Investment Agreement has lapsed and that the transactions under the Investment Agreement did not materialise.

The Board wishes to highlight that the businesses of the Group continue to operate as usual.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers

BY ORDER OF THE BOARD

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

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). 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.

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