

Issuer: Allied Technologies Limited

Security: Allied Technologies Limited

Meeting details:

Date: 30 April 2018

Time: 2.00 p.m.

Venue: 11 Woodlands Close, #10-11, Woodlands 11, Singapore 737853,

Company Description

Allied Technologies Limited, together with its subsidiaries, manufactures and sells precision stamped metal parts, tools, and dies. It offers vertically integrated precision manufacturing services, including design and product development, prototyping, tool and die fabrication, mass production, plastic injection molding, and mechanical sub-assembly, as well as box assembly services. The company is also involved in the manufacture of plastic parts; and assembly of consumer electronics. It offers its products for use as components in various industries, including computer and computer peripherals, consumer electronics and home appliances, office equipment, automotive, plastic, and other industries. The company has operations in Singapore, People's Republic of China, Malaysia, Vietnam, Thailand, and internationally. Allied Technologies Limited was founded in 1990 and is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=A13)

1. The group's business diversification mandate was approved by shareholders in March 2018. The move into e-Commerce and related technologies such as e-payment systems and platform was to build up a new division for the group to diversify its earnings base.

In April 2018, the acquisition of a 51% equity stake in Asia Box Office Pte. Ltd. for a consideration of \$30 million was completed.

- (i) As the group moves into the new e-commerce business that is inherently risky, what guidance has the board given to management to remain prudent in its expansion?**
- (ii) What are the safeguards put in place to prevent acquisitions that are overly aggressive?**
- (iii) What experience and/or track record do the management team and the board have in deal sourcing and deal structuring?**
- (iv) How robust is the group's commercial due diligence process, especially on the valuation of the proposed targets?**

2. Would the board/management provide shareholders with better clarity on the group's precision stamped metal parts segment? Specifically:

- (i) What are the growth factors and key priorities for the segment in 2018?**
- (ii) Is the group looking to diversify its product range so as to reduce the dependence on copier/printer which makes up nearly 90% of total revenue?**
- (iii) Does the group has concentrated counterparty/market risk to the major customer who contributed \$69 million out of the group's total revenue of \$95 million in FY2017? Is the group looking to secure new customers?**
- (iv) With the attention on the new business of e-commerce, is there sufficient time and resources devoted to grow this business?**

3. At the company's annual general meeting to be held on 30 April 2018, Mr Poh Wee Chiow, Roger, retiring pursuant to Regulation 117 of the Company's Constitution, will be seeking re-election.

On 5 March 2018, in the company's announcement related to the appointment of Mr Poh Wee Chiow, Roger, Mr Poh was listed as the Managing Director, RHT Communications and Investor Relations Pte Ltd.

In the director's profile on page 7, the company has disclosed the following:



MR POH WEE CHIEW, ROGER Executive Director

Roger Poh was appointed Executive Director of the Company on 5 March 2018. Prior to his appointment, Mr Poh was a Managing Director of RHT Communications and Investor Relations, an investor relations firm in Singapore. Before his latest role, Mr Poh has been a founder and director of a number of investor relations and public relations firms for over 15 years, and he had been involved in supporting a wide range of capital market transactions including situations, in addition to the day-to-day investor relations management for a wide range of private and public listed companies over the years.

He was an Independent Director of Imperium Crown Limited and is Chairman of its Nominating and Remuneration Committees and a member of the Audit Committee from June 2016 to 30 Oct 2017. Mr Poh started his career in the Economic Development Board as a senior officer and has also served a stint as a public relations manager at the Singapore Institute of Management. Mr Poh holds a Bachelor of Arts (Honours Degree) in English from the National University of Singapore.

(Source: Company annual report)

- (i) Can the company and Mr Poh confirm if he is still holding on to his appointment as a managing director in the above-mentioned external firm?**
- (ii) Can the company and Mr Poh confirm that, if re-elected, Mr Poh will be a full-time executive director of the company?**
- (iii) As Mr Poh, if re-elected, will be the only executive director on the board, and will be driving the group's growth, can Mr Poh help shareholders understand his expertise and experience in growing e-commerce businesses or in establishing digital payment gateways/applications?**

A copy of the questions for the Annual Report for the financial year ended 31 December 2016 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=Allied%20Technologies%20Ltd>

The company's response could be found here: -----