

# Questions surrounding Allied Tech's escrow account

Allied Technologies has said that about S\$33 million of funds that were placed in escrow with law firm JLC Advisors are missing. A look through Allied Tech's past announcements raises questions about the escrow funds. First, the company appeared to have already used most of the initial amount in the account to pay for an acquisition in 2018. So when and how did the funds under escrow get replenished to the amount now missing? And why did the company place the money in escrow without any immediate deals to fund?

<b>Oct 23, 2017</b> Allied Tech signs escrow agreement with JLC Advisors.	Setting up of escrow account
<b>Oct 31, 2017</b> Allied Tech completes share placement, receives S\$33.4m in net proceeds.	
<b>Dec 1, 2017</b> Allied Tech receives outstanding consideration of S\$12.3m for sale of Allied Machinerics (Shanghai) Co.	
<b>Dec 31, 2017</b> According to its annual report, Allied Tech has S\$45.7m held with "an escrow agent", primarily from the Oct 2017 placement and the Allied Machinerics (Shanghai) sale.	
<b>April 4, 2018</b> Allied Tech uses S\$30.1m of proceeds from Oct 2017 placement to pay for acquisition of Asia Box Office	First payout from escrow account
<b>July 3, 2018</b> Allied Tech completes S\$25.2m share placement, and uses the proceeds to pay for acquisition of Activpass.	Acquisition did not require escrow funds
<b>March 23, 2019</b> Allied Tech seeks return of escrow funds from JLC, but JLC says it did not receive any demands for repayment at that time.	Escrow account held funds before Allied Tech received offer
<b>April 29, 2019</b> Allied Tech receives letter of intent on proposal for reverse takeover of company that would require Allied Tech to pay between S\$30 million and S\$50 million in cash.	