

THE STRATECH GROUP LIMITED

(Incorporated in Singapore)

Company Registration No. 201430212R

EXTENSION OF TIME GRANTED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) FOR THE STRATECH GROUP LIMITED (THE “COMPANY”) TO SATISFY THE REQUIREMENTS FOR REMOVAL FROM THE WATCH-LIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“WATCH-LIST”)

The board of directors (the “**Board**”) of the Company wishes to announce that the Company had on 13 April 2015 submitted an application to the SGX-ST for an extension of time of 12 months from 4 June 2015 (4 June 2015 being 24 months from the date on which the Company was placed on the Watch-list) to apply for removal from the Watch-list.

The rationale for the application for an extension of time is as follows:

(a) Return to profitability and healthy cash flow

The Company was able to achieve a consolidated pre-tax profit of approximately S\$1.46 million for the financial year ended 31 March 2014 (“**FY2014**”). The Company also achieved healthy cash flow from its operating activities for FY2014. Based on the Company’s latest consolidated audited financial statements for FY2014, the net cash generated from operating activities was approximately S\$5.77 million.

(b) Restructuring by way of a Scheme

Stratech Systems Limited embarked on the process of a restructuring by way of a scheme of arrangement (“**Scheme**”) under Section 210 of the Companies Act (Chapter 50) of Singapore (the “**Restructuring**”). The effective date of the Scheme was 1 April 2015 and pursuant to the Scheme, the Company is now the listed company of the Stratech group.

As set out in the Scheme document dated 2 February 2015, the Company is of the view that the Restructuring will, *inter alia*, be able to:

- (i) streamline the existing group structure and operations to provide leverage for the Company and its subsidiaries (collectively, the “**Group**”) to expand its business globally;
- (ii) achieve ease and flexibility for the Group to acquire new businesses, as well as expand and/or divest existing business segments as and when opportunities arise; and
- (iii) provide the Group with greater flexibility in positioning itself to explore other possible investment opportunities, new businesses and business partnerships should they arise, and allow it to dedicate its efforts to focus on the development of technology, products, systems and reference sites through the appropriate operating subsidiary. The Company also envisages the possibility of earning royalties and/or licence fees from the various product and

technology patents presently registered, including any others arising from future research and development work to be carried out.

The Board is pleased to announce that the Company has on 19 May 2015 received a notification from the SGX-ST that it has no objection to granting the Company an extension of time of up to 12 months to 4 June 2016 to meet the requirements for removal from the Watch-list, subject to:

- (a) the Company announcing via SGXNet the 12-month extension granted, the reasons for seeking the extension of time and the conditions as required under Listing Rule 107 (which are set out herein); and
- (b) submission of a written confirmation from the Company that the extension of time does not contravene any laws and regulations governing the Company and the articles of association of the Company.

The Board wishes to remind the shareholders of the Company that the SGX-ST reserves the right to amend/vary the above decision and such decision is subject to changes in the SGX-ST's policies.

BY ORDER OF THE BOARD

Leong Sook Ching
Executive Director/Company Secretary
19 May 2015