

CONVERTIBLE LOAN AGREEMENT

1. INTRODUCTION

- 1.1 The board of directors ("**Board**" or "**Directors**") of Trittech Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 21 September 2014 entered into a convertible loan agreement ("**CLA**") with the parties set out in Section 2.1 below (each a "**Lender**" and collectively, the "**Lenders**"), pursuant to which :
- (a) the Lenders have agreed to grant interest-bearing convertible loans of up to S\$10,000,000 in aggregate ("**Minimum Loan**") to the Company; and
 - (b) at the Company's request and subject to Lenders agreeing, additional interest-bearing convertible loans of up to S\$10,000,000 in aggregate ("**Additional Loan**"),
- each convertible into new ordinary shares in the share capital of the Company ("**Loan Shares**") at a conversion price of S\$0.21 ("**Loan Conversion Price**").
- 1.2 For purposes of this announcement :
- (a) the Minimum Loan and Additional Loan shall hereinafter be referred to as "**Loan**"; and
 - (b) a Lender's (i) portion of the Minimum Loan; (ii) portion of the Additional Loan that such Lender should agree on the Company's request to grant to the Company; and (iii) any Excess Loan (as defined below) that such Lender should agree to grant to the Company, shall hereinafter be referred to as "**Relevant Minimum Loan**", "**Relevant Additional Loan**" and "**Relevant Excess Loan**" respectively, and collectively "**Relevant Loan**".
- 1.3 The Loan Conversion Price represents a premium of approximately 10.88% to the volume weighted average price of S\$0.1894 of each ordinary share of the Company ("**Share**") based on trades done on 16 September 2014 (being the last full market day preceding the date on which the CLA was signed following the trading halt by the Company on 17 September 2014).
- 1.4 In the event that any of the Lenders fails to disburse such Lender(s)' Relevant Minimum Loan(s) or decline the Company's request to grant such Lender(s)' Relevant Additional Loan(s), the Company may invite any of the remaining Lender(s) to provide such Lender(s)' Relevant Minimum Loan(s) and/or Relevant Additional Loan(s) (collectively "**Excess Loan**").
- 1.5 The rationale for the Company seeking the Loan from the Lenders is to raise funds for the purposes as set out in Section 4 of this announcement.

2. **INFORMATION ON THE LENDERS**

2.1 The Lenders comprise the following individuals set out in the table below.

| No | Name of Lender | Relevant Loan (S\$) / Relevant Additional Loan (S\$) | Minimum Relevant Loan (S\$) | Maximum Number of Loan Shares and Interest Shares ⁽¹⁾ | Existing Number of Shares Held | Resultant shareholding assuming full conversion of all Loan Shares and Interest Shares (enlarged basis) (%) |
|----|-------------------|--|-----------------------------|--|--------------------------------|---|
| 1 | Ang Poon Beng | 500,000 | | 7,489,177 | 1,500,000 | 0.97 |
| 2 | Chan Hiang Ngee | 1,000,000 | | 14,978,355 | - | 1.62 |
| 3 | Chua Bee Bee | 1,000,000 | | 14,978,355 | 1,844,000 | 1.82 |
| 4 | Ken Tan Khim Sing | 500,000 | | 7,489,177 | 225,000 | 0.84 |
| 5 | Lee Fong | 1,000,000 | | 14,978,355 | 4,244,000 ⁽²⁾ | 2.08 |
| 6 | Lee Oon Gim | 1,000,000 | | 14,978,355 | 1,491,000 | 1.78 |
| 7 | Li Jingjing | 500,000 | | 7,489,177 | 5,660,000 | 1.42 |
| 8 | Liew Yoon Kwai | 1,500,000 | | 22,467,532 | 14,563,000 | 4.01 |
| 9 | Seah Siu Guat | 500,000 | | 7,489,177 | - | 0.81 |
| 10 | Tan Ah Ee | 500,000 | | 7,489,177 | 17,760,000 | 2.74 |
| 11 | Tan Thiam Chye | 1,000,000 | | 14,978,355 | 6,818,000 | 2.36 |
| 12 | Thang Yee Chin | 500,000 | | 7,489,177 | 2,292,000 | 1.06 |
| 13 | Yap Xi Ming | 500,000 | | 7,489,177 | 11,256,000 | 2.03 |
| | Total | 10,000,000 | | 149,783,546 | 19,940,000 | 20.41 |

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Notes:

(1) Computed on the assumption that S\$20.0 million of Loan has been converted at Loan Conversion Price of S\$0.21 per Loan Share, and aggregate Accrued Interest (as defined below) of S\$6.0 million being converted at minimum Interest Conversion Price of S\$0.11.

(2) Includes Shares held through Fongnam Holdings Pte Ltd, wholly-owned by Lee Fong.

2.2 Each Lender was either already known to the Company from, or referred to the Company by a Lender already known to the Company from, *inter alia*, the earlier attempted fund-raising exercise by the Company as announced on 14 April 2014, and who are interested in making private investments and are providing the Loan to the Company for investment purposes.

2.3 Each Lender has confirmed to the Company that :

- (a) he has no connection (including business relationships) with the Company, its Directors or substantial shareholders; and
- (b) he is not acting in concert with any other Lender nor any Director or substantial shareholder of the Company to obtain or consolidate effective control of the Company through the Loan (including as contemplated in the Singapore Code on Take-overs and Mergers).

2.4 No commission or referral fees were paid by the Company in connection with the Loan and the CLA.

3. PRINCIPAL TERMS OF CLA

3.1 The principal terms of the CLA are as follows :

(a) **Conditions Precedent** : The grant of a Relevant Loan by a Lender is conditional upon :

- (i) the receipt by the Company from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) of the listing and quotation notice (“**LQN**”) for the admission of the Loan Shares and Interest Shares (as defined below) on the Catalyst of the SGX-ST (“**Catalist**”); and
- (ii) to the extent that the LQN be subject to conditions, such conditions being acceptable to the Company.

(b) **Disbursement of a Relevant Loan** : Subject to the fulfillment of the Conditions Precedent, a Lender shall :

- (i) disburse such Lender’s Relevant Minimum Loan; and
- (ii) subject to request by the Company for, and agreement by such Lender to grant, such Lender’s Relevant Additional Loan, disburse such Lender’s Relevant Additional Loan; and/or
- (iii) subject to the Company and such Lender agreeing for such Lender to grant the Company any Excess Loan, disburse such Lender’s Relevant Excess Loan,

to the Company after the Company has requested for such disbursement by way of a drawdown notice to such Lender (“**Drawdown Notice**”).

(c) **Escrow in respect of part of Relevant Minimum Loan & failure to disburse balance of Relevant Minimum Loan** : Each Lender shall deposit an amount equivalent to 10% of their respective Relevant Minimum Loan (“**Relevant Escrow Minimum Amount**”) with an escrow agent upon the signing of CLA.

Subject to the fulfillment of the Conditions Precedent and upon the receipt by a Lender of the Drawdown Notice for such Lender’s Relevant Minimum Loan from the Company, such Lender shall disburse such Lender’s Relevant Minimum Loan less the Relevant Escrow Minimum Amount to the Company.

In the event that such Lender does not make such disbursement within 14 days commencing on the day immediately after the day of delivery of such Drawdown Notice, the Company shall be entitled to retain, and not be obliged to repay such Lender, the Relevant Escrow Minimum Amount.

(d) **Repayment** : A Lender shall have the right to have his Relevant Loan repaid (in full or in part) (“**Repayment**”) by the Company by conversion, at any time prior to the third (3rd) anniversary of the date of disbursement of such Relevant Loan by such Lender (“**Relevant Maturity Date**”), of any amount of such Relevant Loan into Loan

Shares provided that such conversion shall be in tranches of at least S\$210,000 or 1,000,000 Loan Shares and in any case, for whole lots of 1,000 Loan Shares. To the extent that such Relevant Loan is not repaid in Loan Shares by Relevant Maturity Date, the Company shall repay such Lender such Relevant Loan then outstanding in cash on Relevant Maturity Date.

Upon the occurrence of an event of default under the CLA ("**Event of Default**"), all outstanding Relevant Loans which have been disbursed to the Company shall be repaid by the Company to such Lender(s) in cash at the election of such Lender(s).

- (e) **Accrual of Interest** : Interest shall accrue on a Relevant Loan of a Lender at an interest rate of 10% on the full amount of such Relevant Loan by such Lender to the Company, and thereafter at an interest rate of 10% on the balance outstanding on such Relevant Loan as at each anniversary of such disbursement, such Interest as accrued ("**Accrued Interest**") on such Relevant Loan shall be payable by the Company as detailed in sub-paragraphs (f) and (g) below.
- (f) **Interest Payment Dates** : Accrued Interest in respect of a Lender ("**Relevant Accrued Interest**") shall, if not already paid in full by the Company to such Lender prior to any of the events ("**Interest Payment Event**") set out below, be payable by the Company to such Lender to the extent set out below against that Interest Payment Event:

| | Interest Payment Event | Extent that Accrued Interest is payable |
|-------|--|--|
| (i) | On the 180 th day after the date of accrual of such Accrued Interest | 50% of Accrued Interest |
| (ii) | On the 365 th day after the date of accrual of such Accrued Interest | 100% of Accrued Interest |
| (iii) | On a Repayment of the Relevant Loan or such outstanding part of the Relevant Loan on which such Accrued Interest had accrued | Applicable Proportion of Accrued Interest |

For purposes of sub-paragraph (f) :

"**Applicable Proportion**" shall mean the amount in S\$ of a Repayment in respect of a Relevant Loan or such outstanding part of a Relevant Loan expressed as a proportion of the full amount in S\$ of a Relevant Loan or such outstanding part of a Relevant Loan respectively.

- (g) **Interest Payment** : Relevant Accrued Interest shall be paid by the Company to a Lender :
- (i) by way of issue and allotment to such Lender new ordinary Shares in the capital of the Company ("**Interest Shares**") at an issue price ("**Interest Conversion Price**") that is the lower of :
- (aa) S\$0.21;

(bb) 10% discount to the volume weighted average price of the Shares for trades done on the SGX-ST over the last seven (7) market days prior to such payment of interest; or

(ii) in the event the Interest Conversion Price is less than S\$0.11, in cash.

(h) **No Cash Prepayment before Relevant Maturity Date** : A Lender shall not be entitled to request for the Company to repay or prepay any Relevant Loan or any part thereof in cash before the Relevant Maturity Date of such Relevant Loan.

(i) **Anti-Dilution and Adjustment Provisions** : There are provisions for anti-dilution and adjustment in the CLA which shall take effect upon the occurrence of certain dilutive events, for example the capitalization of profits or rights issues.

3.2 Any material alteration to the terms of the Loan shall be made subject to Shareholders' approval if the alteration sought is to the advantage of the Lenders, save where such alteration is in accordance with the terms of the CLA.

3.3 The maximum number of Loan Shares and Interest Shares of 149,783,546, when allotted and issued in full, will represent approximately 19.37% of the Company's existing and paid-up capital of 773,149,186 Shares as at the date of this announcement, and approximately 16.23% of the enlarged issued and paid-up share capital of 922,932,732 Shares assuming full conversion to the Loan Shares and Interest Shares.

3.4 The Loan Shares and Interest Shares will, upon allotment and issue, rank *pari passu* in all respects with the existing Shares, except that they will not be entitled to any dividends, rights, allotments or other distributions, the record date for which occurs prior to the date of issue of the Loan Shares and Interest Shares.

4. **RATIONALE AND USE OF PROCEEDS**

4.1 The Company intends to utilize the proceeds from the Loan entirely for business expansion including but not limited to, capital expenditure, expansion of markets in relation to the Group's business and potential acquisitions.

| Use of Proceeds | Based on Minimum Loan (\$\$10 million) raised | Based on Loan (\$\$20 million) raised |
|---|--|--|
| Estimated expenses for the issuance of the Minimum Loan or Loan | S\$70,000 | S\$85,000 |
| Business expansion (including but not limited to, capital expenditure, expansion of markets in relation to the Group's business and potential acquisitions) | S\$9,930,000 | S\$19,915,000 |

4.2 The Company will make periodic announcement(s) as to the use of the proceeds from the Loan as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the proceeds raised from the Loan in its interim and full-year financial statements issued under the Section B of Listing Manual: Rules of Catalist of the SGX-ST and the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

- 4.3 Pending the deployment of the proceeds from the Loan for the purpose mentioned above, such proceeds may be placed as deposits with financial institutions or invested in short-term money markets and/or marketable securities or for any other purposes on a short-term basis, as the Directors may deem fit, from time to time.

5. **AUTHORITY TO ISSUE SHARES**

- 5.1 The Loan Shares and the Interest Shares will be issued pursuant to the general mandate ("**Share Issue Mandate**") approved by the shareholders of the Company ("**Shareholders**") at the annual general meeting held on 29 July 2014 ("**2014 AGM**").
- 5.2 The Share Issue Mandate authorises, *inter alia*, the Directors to issue Shares and/or convertible securities of not more than 100% of the total number of issued Shares in the capital of the Company, of which the aggregate number of Shares to be issued other than on a pro rata basis to existing Shareholders shall not be more than 50% of the total number of Shares. As at the date of the 2014 AGM, the number of issued Shares was 773,149,186 Shares. No Shares were previously issued under the Share Issue Mandate prior to the CLA and as such, the total number of Shares that may be issued pursuant to the Share Issue Mandate is 773,149,186 Shares, of which the maximum number of Shares to be issued other than on a pro-rata basis is 386,574,593 Shares.
- 5.3 Based on the Loan Conversion Price of S\$0.21 and the minimum Interest Conversion Price of S\$0.11, the maximum number of Loan Shares and Interest Shares to be issued is 149,783,546, and is within the limits of the Share Issue Mandate. Accordingly, specific approval from Shareholders for the issue and allotment of the Loan Shares and Interest Shares is not required.

6. **NO PROSPECTUS OR OFFER INFORMATION STATEMENT**

The Loan (and the issue of the Loan Shares and the Interest Shares) will be undertaken by way of a private placement pursuant to the exemption of Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

7. **ADJUSTMENTS TO EXISTING WARRANTS**

Based on the deed poll dated 12 March 2014 in respect of warrants of the Company issued on 12 March 2014 ("**Warrants**"), in the event of the conversion of the Loan Shares and/or the Interest Shares, adjustments to the Warrants will have to be made. The Company will be making an announcement in respect of such adjustments on the SGXNET in due course.

8. **APPROVALS**

The Company, through its sponsor, PrimePartners Corporate Finance Pte. Ltd., will be making an application to the SGX-ST for the listing and quotation of the Loan Shares and Interest Shares on the Catalist. The Company will make the necessary announcements once the LQN in respect of the Loan Shares and Interest Shares has been obtained.

9. **CONFIRMATION BY THE DIRECTORS**

The Directors are of the opinion that after taking into consideration the present banking facilities of the Group, the working capital available to the Group is sufficient to meet the Group's present requirements. Notwithstanding the above, the Company is proposing to undertake the issuance of Loan to raise additional funding to expand and capitalise on growth opportunities.

10. **FINANCIAL EFFECTS OF THE LOAN**

10.1 **Assumptions**

The financial effects of the issue and allotment of the Loan Shares and Interest Shares on the net tangible assets ("NTA") per share and the earnings per share ("EPS") of the Group are set out below. The financial effects which have been prepared based on the audited consolidated financial statements of the Group for its most recently completed financial year ended 31 March 2014 ("FY2014"), are purely for illustrative purposes only and do not reflect the actual financial position of the Group after the allotment and issue of the Loan Shares and Interest Shares.

10.2 **NTA**

Scenario 1: For illustrative purposes and assuming the Loan Shares and Interest Shares had been allotted and issued at the end of FY2014, with S\$10.0 million of Loan being converted at Loan Conversion Price of S\$0.21 per Loan Share, and 1 time Accrued Interest being converted at minimum Interest Conversion Price of S\$0.11.

| | As at 31 March 2014 | Loan Shares | Interest Shares | Assuming the allotment and issue of all the Loan Shares and Interest Shares is at the end of FY2014 |
|-------------------------|----------------------------|--------------------|------------------------|--|
| NTA (S\$'000) | 61,533 | 10,000 | | 71,533 |
| Number of Shares ('000) | 773,149 | 47,619 | 9,091 | 829,859 |
| NTA per Share (cents) | 7.96 | 21.00 | | 8.62 |

Scenario 2: For illustrative purposes and assuming the Loan Shares and Interest Shares had been allotted and issued at the end of FY2014, with S\$20.0 million of Loan being converted at Loan Conversion Price of S\$0.21 per Loan Share, and 1 time Accrued Interest being converted at minimum Interest Conversion Price of S\$0.11.

| | As at 31 March 2014 | Loan Shares | Interest Shares | Assuming the allotment and issue of all the Loan Shares and Interest Shares is at the end of FY2014 |
|-------------------------|----------------------------|--------------------|------------------------|--|
| NTA (S\$'000) | 61,533 | 20,000 | - | 81,533 |
| Number of Shares ('000) | 773,149 | 95,238 | 18,182 | 886,569 |
| NTA per | 7.96 | 21.00 | - | 9.20 |

| | As at 31 March 2014 | Loan Shares | Interest Shares | Assuming the allotment and issue of all the Loan Shares and Interest Shares is at the end of FY2014 |
|---------------|--------------------------------|--------------------|----------------------------|--|
| Share (cents) | | | | |

10.3 EPS

Scenario 1: For illustrative purposes and assuming the Loan Shares and Interest Shares, and the aggregate number of new Shares which had been issued during FY2014, had been allotted and issued at the beginning of FY2014, with S\$10.0 million of Loan being converted at Loan Conversion Price of S\$0.21 per Loan Share, and 1 time Accrued Interest being converted at minimum Interest Conversion Price of S\$0.11.

| | FY2014 | Loan Shares | Interest Shares | Assuming the issue of all the Loan Shares and Interest Shares at the beginning of FY2014 |
|--|---------------|--------------------|----------------------------|---|
| Earnings/(Loss) after tax (S\$'000) | (7,626) | - | - | (7,626) |
| Number of Shares ('000) | 773,149 | 47,619 | 9,091 | 828,272 |
| Earnings/(Loss) per Share (cents) | (0.99) | - | - | (0.92) |

Scenario 2: For illustrative purposes and assuming the Loan Shares and Interest Shares, and the aggregate number of new Shares which had been issued during FY2014, had been allotted and issued at the beginning of FY2014, with S\$20.0 million of Loan being converted at Loan Conversion Price of S\$0.21 per Loan Share, and 1 time Accrued Interest being converted at minimum Interest Conversion Price of S\$0.11.

| | FY2014 | Loan Shares | Interest Shares | Assuming the issue of all the Loan Shares and Interest Shares at the beginning of FY2014 |
|--|---------------|--------------------|----------------------------|---|
| Earnings/(Loss) after tax (S\$'000) | (7,626) | - | - | (7,626) |
| Number of Shares ('000) | 773,149 | 95,238 | 18,182 | 886,569 |
| Earnings/(Loss) per Share (cents) | (0.99) | - | - | (0.86) |

11. RULE 812 OF THE CATALIST RULES

The Loan Shares and the Interest Shares will not be issued and allotted to persons who fall within the categories set out in Rule 812(1) of Section B of the Listing Manual: Rules of Catalist of the SGX-ST ("**Catalist Rules**"). The issuance of the Loan Shares and the Interest Shares will also not result in a change of controlling interest in the Company.

12. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial Shareholders has any interest, direct or indirect, in the CLA (other than through their shareholdings in the Company).

13. **DIRECTORS' RESPONSIBILITY STATEMENT**

13.1 The Directors collectively and individually accept full responsibility (save in respect of the Lenders) for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the CLA and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

13.2 Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

14. **CAUTIONARY STATEMENT**

Shareholders of the Company and potential investors should exercise caution when trading in the Shares of the Company in relation to this announcement as there is no certainty that the issuance of Loan will be completed as it is subjected to the fulfillment of terms and conditions set out in the CLA. When in doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax or other advisors.

BY ORDER OF THE BOARD

Dr Wang Xiaoning
Managing Director
21 September 2014

This announcement has been prepared by the Company and reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("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 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.

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