

THE STRATECH GROUP LIMITED

(Incorporated in Singapore)

Company Registration No. 201430212R

MONTHLY UPDATE

Following the announcement of 18 January 2018 and 28 January 2018, the Board of Directors of The Stratech Group Limited (the "Company") would like to provide the following update:

The Company and its indirect wholly-owned subsidiary, Stratech Systems Limited ("SSL" and collectively the "Applicants") have respectively made applications (OS 85 and OS 161 respectively) to the High Court of Singapore (the "Court"), for orders under Section 211B of the Companies Act (Cap 50) (the "Act") for the Court's intervention to order a moratorium to provide the Company and SSL with sufficient time to formulate, propose and if thought fit, implement a scheme of arrangement (the "Scheme") pursuant to section 210 of the Act.

The Court has granted the Company's and SSL's respective applications for a moratorium subject to the following:

- (a) That the moratorium be granted until the hearing and disposal of the proposed applications by the Applicants under section 210(1) of the Act for the Court to summon a meeting of creditors or class of creditors in relation to an intended compromise or arrangement (the Proposed Scheme)'
- (b) That the proposed applications under section 210(1) be filed by 9 March 2018;
- (c) That section 277B(6)(b) of the Companies Act be complied with;
- (d) That an affidavit to be filed in support of the proposed application to include at least the following:
 - (i) Reasonable details of the terms of the Proposed Scheme;
 - (ii) Evidence of relevant creditors' support;
 - (iii) The proposed classification of creditors for the purposes of the Proposed Scheme;
 - (iv) A binding term sheet between the Applicants and the proposed financier (the "Funder") to fund the distributions under the Proposed Scheme;
 - (v) Evidence of the Funder's capacity to fund the distributions under the Proposed Scheme;
 - (vi) Evidence of the valuation of the personal property (the "Property") of David Chew and Leong Sook Ching (the "Substantial Shareholders") to be collateralised to secure the funding from the Funder and the Funder's acceptance of the same;
 - (vii) Forecast of the profitability and cash flow of the Applicants specifically, and The Stratech Group of companies generally, that is used as assumption for the formulation of the Proposed Scheme and the distribution therein.
- (e) That in the event the Applicants are not able to keep to the timelines, the Applicants to make an application with explanation as why the timelines cannot be kept.

The Court also ordered that the legal matters disclosed pursuant to Query 2(j) in the announcement of 28 January 2018 and others be adjourned to the hearing for the application pursuant to section 210(1) of the Act.

BY ORDER OF THE BOARD

Leong Sook Ching
Company Secretary
01 March 2018