



TRITECH GROUP LIMITED

2 Kaki Bukit Place #7-00 Trittech Building Singapore 416180
(Company Registration No.: 200809330R)

- A. PROPOSED DISPOSAL OF SHARES IN TERRATECH GROUP LIMITED
- B. EARLY SETTLEMENT OPTION FOR THE CONVERTIBLE LOAN AGREEMENT

1. Introduction

Reference is made to the following:

- (a) the announcements dated 21 September 2014 and 31 October 2014 ("**CLA Announcements**") made by Trittech Group Limited (the "**Company**") and together with its subsidiaries, the "**Group**") in relation to the convertible loan agreement dated 21 September 2014; and
- (b) the announcement dated 29 March 2017 ("**Terratech RTO Announcement**") made by the Company in relation to, *inter alia*, its intention to offer shares of Terratech Group Limited ("**Terratech**") for sale under the compliance placement to be carried out in connection with the proposed reverse takeover ("**Proposed RTO**") of Terratech ("**Proposed Compliance Placement**").

All capitalized terms used in this announcement, unless otherwise defined herein, shall have the same meanings as ascribed thereto in the CLA Announcements and the Terratech RTO Announcement.

2. Placement Agreement

Further to the approval of the Proposed RTO by Terratech's shareholders at Terratech's extraordinary general meeting held on 21 April 2017, the Board of Directors of the Company wishes to announce that the Company, together with Terratech and Ample China International Limited ("**ACIL**"), has on 25 April 2017 entered into a placement agreement ("**Placement Agreement**") with PrimePartners Corporate Finance Pte. Ltd. ("**Placement Agent**") pursuant to which the Placement Agent will undertake on a best endeavor basis to procure, *inter alia*, purchasers for up to 33,750,000 Consolidated Shares (as defined below) ("**Trittech Placement Sale Shares**") to be held by the Company, and up to 5,000,000 Consolidated Shares to be held by ACIL, following the completion of the Proposed Share Consolidation (as defined below) at the price of S\$0.20 per Consolidated Share ("**Placement Price**").

As at the date of this announcement, the Company holds 386,948,000 Terratech shares comprising approximately 56.61% of the total issued share capital of Terratech. Upon the completion of a proposed 4-to-1 share consolidation of such Terratech shares ("**Proposed Share Consolidation**"), the Company will hold 96,737,000 shares in the capital of Terratech ("**Consolidated Shares**").

3. Early Settlement Option for the Convertible Loan Agreement

Pursuant to the convertible loan agreement dated 21 September 2014 ("**CLA**") and entered into between the Company and certain lenders (collectively the "**Lenders**" and each a "**Lender**"), the



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Company had obtained convertible loans from the Lenders in the aggregate principal amount of S\$10,000,000 (collectively the “**Relevant Loans**”).

Under the terms of the CLA, the relevant maturity date of the Relevant Loans is 28 October 2017 (“**Relevant Maturity Date**”), and interest shall accrue on the Relevant Loans up to and including the Relevant Maturity Date.

The Company had previously written to the Lenders on 31 March 2017 to offer to each of the Lenders, and certain of the Lenders (“**Early Settlement Lender**”) have accepted, an early settlement of the Relevant Loan applicable to them (“**Early Settlement Option**”) on, *inter alia*, the following terms:-

- (i) the proposed settlement amount in relation to such Early Settlement Lender shall be the principal amount of the Relevant Loan applicable to him plus the Agreed Interest Amount (as defined below) applicable to him (“**Proposed Settlement Amount**”);
- (ii) subject to the Early Settlement Lender making the necessary application to acquire the relevant Placement Settlement Shares (as defined below) in accordance with, *inter alia*, the terms and procedures as may be advised by the Placement Agent, the Company will inform the Placement Agent that no cash payment or settlement will be required from such Early Settlement Lender in relation to its/his acquisition of such Placement Settlement Shares; and
- (iii) Upon the receipt of the relevant Placement Settlement Shares by the Early Settlement Lender, the Relevant Loan applicable to him and all accrued Interest thereunder shall be deemed repaid, settled and satisfied in full and the Early Settlement Lender shall be deemed to have released and discharged and waived any and all liabilities and obligations which the Company may have in respect of such Relevant Loan, any accrued Interest thereunder and/or any other provisions of the CLA.

	Name of Early Settlement Lenders	Relevant Loan	Agreed Interest Amount ⁽¹⁾	Proposed Settlement Amount
1.	Yap Xi Ming	S\$500,000	S\$50,000	S\$550,000
2.	Ang Poon Beng	S\$500,000	S\$50,000	S\$550,000
3.	Ken Tan Khim Sing	S\$500,000	S\$50,000	S\$550,000
4.	Lee Oon Gim	S\$1,000,000	S\$100,000	S\$1,100,000
5.	Seah Siu Guat	S\$500,000	S\$50,000	S\$550,000
6.	Liew Yoon Kwai	S\$1,500,000	S\$150,000	S\$1,650,000
7.	Li Jingjing	S\$500,000	S\$50,000	S\$550,000
8.	Chan Hiang Ngee	S\$1,000,000	S\$100,000	S\$1,100,000
9.	Tan Ah Ee	S\$500,000	S\$50,000	S\$550,000
10.	Chua Bee Bee	S\$1,000,000	S\$100,000	S\$1,100,000
	Total	S\$7,500,000	S\$750,000	S\$8,250,000



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Note:

- (1) “Agreed Interest Amount” means in relation to an Early Settlement Lender, the amount accrued or to be accrued as interest in respect of the Relevant Loan up to and including the Relevant Maturity Date pursuant to the terms of the CLA.

Following the execution of the Placement Agreement and the fixing of the applicable placement price under the Proposed Compliance Placement at the Placement Price of S\$0.20 per share,

- (i) each of the Early Settlement Lenders has on 25 April 2017 entered into a letter agreement with the Company and Placement Agent to confirm, inter alia, that:-
- (a) no cash payment or settlement will be required from such Early Settlement Lender in relation to his acquisition of such Trittech Placement Sale Shares set out against his name in the table below (“**Placement Settlement Shares**”); and
- (b) upon the receipt of the relevant Placement Settlement Shares by the Early Settlement Lender, the relevant Proposed Settlement Amount (as set out against his name in the table below) (“**Relevant Settlement Amount**”) shall be deemed repaid, settled and satisfied in full and the Early Settlement Lender shall be deemed to have released and discharged and waived any and all liabilities and obligations which the Company may have in respect of such Relevant Settlement Amount.

	Name of Early Settlement Lenders	Relevant Settlement Amount	Placement Settlement Shares
1.	Yap Xi Ming	S\$550,000	2,750,000
2.	Ang Poon Beng	S\$550,000	2,750,000
3.	Ken Tan Khim Sing	S\$550,000	2,750,000
4.	Lee Oon Gim	S\$1,100,000	5,500,000
5.	Seah Siu Guat	S\$550,000	2,750,000
6.	Liew Yoon Kwai	S\$150,000	750,000
7.	Li Jingjing	S\$550,000	2,750,000
8.	Chan Hiang Ngee	S\$1,100,000	5,500,000
9.	Tan Ah Ee	S\$550,000	2,750,000
10.	Chua Bee Bee	S\$1,100,000	5,500,000
	Total	S\$6,750,000	33,750,000

- (ii) the Company had separately on 25 April 2017 entered into a letter agreement with an Early Settlement Lender, Mr Liew Yoon Kwai, to effect an early settlement of the remaining Proposed Settlement Amount applicable to him (being S\$1,500,000) by way of the transfer of 7,500,000 Consolidated Shares to him by the Company directly through an off-market transfer (“**Other Settlement Shares**”).

Lenders who have not elected for the Early Settlement Option (“**Remaining Lenders**”) will continue to extend the Relevant Loans to the Company on the terms and conditions of the CLA, and the Company will continue to be bound by the terms and conditions of the CLA in relation thereto,



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including the obligation to repay the remaining outstanding aggregate principal amount of S\$2,500,000 (excluding interest) on such Relevant Loans on or prior to the Relevant Maturity Date.

None of the Early Settlement Lenders is a director or substantial shareholder of Terratech or their associates (the “**Connected Persons**”) or nominees of any of the Connected Persons, or any other person under Rule 812(1) of the SGX-ST Listing Manual, Section B: Rules of the Catalist (“**Catalist Rules**”) in relation to Terratech.

4. **Proposed Disposal**

As the Placement Settlement Shares and the Other Settlement Shares (collectively, the “**Disposal Shares**”) are being transferred to the Early Settlement Lenders under the Early Settlement Option (“**Proposed Disposal**”) at the Placement Price of S\$0.20 per share, the deemed consideration amount for the Proposed Disposal is S\$8,250,000 (“**Disposal Consideration**”).

The Disposal Consideration was arrived at by the Company and the Early Settlement Lenders on a willing-seller willing-buyer basis, taking into account the Placement Price as set out in the Placement Agreement in relation to the Proposed RTO.

Upon the completion of the Proposed Disposal and the Proposed RTO, the Company will hold 55,487,000 Consolidated Shares or approximately 4.37% of the enlarged issued share capital of Terratech (“**Balance Terratech Shares**”).

5. **Information on Terratech**

Terratech was incorporated in the Cayman Islands on 15 March 2013 and was listed on the Catalist on 30 July 2014.

Terratech’s group of companies are in the exploration, development, quarrying, extraction and removal of marble from the quarry located in Kelantan, Malaysia, and the commercial sale of marble and marble products.

Pursuant to the extraordinary general meeting of Terratech held on 21 April 2017, the shareholders of Terratech have approved, *inter alia*, the diversification of the existing business of Terratech to include the business of the Capital City Group, encompassing the conception, design and implementation of integrated property development projects by way of the Proposed RTO. Further information on the Proposed RTO can be found in the circular to shareholders of Terratech dated 29 March 2017.

6. **Disposal Shares and Disposal Consideration**

In relation to the Proposed Disposal, the Company will not receive any cash proceeds. As stated in Section 3 above, the Disposal Consideration will be satisfied by the transfer of the Disposal Shares to the Early Settlement Lenders to settle the Proposed Settlement Amount of all the Early Settlement Lenders. Based on the difference between (i) the aggregate of the Disposal Consideration (S\$8,250,000) and the book value of Balance Terratech Shares on the enlarged share capital upon the completion of the Proposed RTO (S\$10,624,780) and (ii) the book value of the



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Disposal Shares at S\$19,701,967 (based on the audited consolidated financial statements of the Company for the financial year ended 31 March 2016), the net loss attributable to the disposal of the Disposal Shares (excluding transactional costs) is \$827,187.

7. Rationale for the Proposed Disposal and Early Settlement Option

The Company is offering the Trittech Placement Sale Shares under the Proposed Compliance Placement, inter alia, to enable Terratech to meet the minimum public float requirement for purposes of the Proposed RTO.

Through the Early Settlement Option, the Company will be able to settle most of its outstanding liabilities under the CLA earlier than the Relevant Maturity Date, and thereby improve its financial position by reducing the overall debt or borrowings of the Group and the Company will be able to preserve its cash position through the use of the Disposal Shares for the Early Settlement Option.

8. Relative Figures under Rule 1006 of the Listing Manual

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalyst Rules are as follows:

Rule 1006	Bases	Relative Figures
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	27.27%
(b)	Net profits attributable to assets disposed of as compared with the Group's net profits for the third quarter ended 31 Dec 2016 (based on net loss)	1.25%
(c)	Aggregate value of the consideration as compared with the Company's market capitalisation as at 24 April 2017, being the market day immediately preceding the date of the Agreement, based on the total number of issued and paid-up shares of the Company excluding treasury shares	13.41%
(d)	The number of equity securities to be issued by the Company as consideration for the Proposed Disposal, as compared with the number of equity securities of the Company previously in issue	N.A
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves	N.A



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Notes:-

- (a) The net asset value of (i) the Disposal Shares and (ii) the Group (based on the latest available unaudited financial statements of the Group for the financial period ended 31 December 2016) was S\$19.70 million and S\$72.24 million respectively.
- (b) The net loss attributable to (i) the Company's stake in Terratech to be disposed of and (ii) the Group (based on the latest available unaudited financial statements of the Group for the financial period ended 31 December 2016) was S\$0.1 million and S\$7.84 million respectively.
- (c) The aggregate value of consideration is S\$8.25 million and the market capitalisation of S\$61,541,773 is derived from the volume weighted average market price of S\$0.070 per Share as at 24 April 2017, being the last traded market day immediately preceding the date of the Placement Agreement, based on 879,168,182 issued shares of the Company as at the date of this announcement.

In relation to the Proposed Disposal, as the relative figures calculated under Rule 1006(a) and Rule 1006(c) of the Catalist Rules is more than 5% but less than 50%, the Proposed Disposal is a discloseable transaction pursuant to Chapter 10 of the Catalist Rules.

9. Financial Effects of the Proposed Disposal

9.1. Assumptions

The pro forma financial effects of the Proposed Disposal presented below are for illustration purposes only and do not reflect the actual financial results of the Group after completion of the Proposed Disposal and do not account for the expenses incurred or to be incurred in relation to the Proposed Disposal.

The following pro forma financial effects have been prepared based on the audited consolidated financial statements of the Company for the financial year ended 31 March 2016 ("FY2016"), and assuming that the Proposed Disposal had been completed:

- (a) at the end of FY2016, for illustrating the financial effect on the consolidated net tangible assets per share of the Company; and
- (b) at the beginning of FY2016, for illustrating the financial effect on the consolidated earnings per share of the Company.

9.2. Net Tangible Asset ("NTA")

	<u>Before Proposed Disposal</u>	<u>After Proposed Disposal</u>
NTA (S\$'000)	62,720	54,198
Number of Shares ('000)	791,866	791,866
NTA per Share (cents)	7.92	6.84



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9.3. Earnings per Share (“EPS”)

	<u>Before Proposed Disposal</u>	<u>After Proposed Disposal</u>
Earnings (S\$'000)	(16,708)	(13,316)
Weighted Average Number of Shares ('000)	787,528	787,528
EPS (cents)	(2.12)	(1.69)

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors and substantial shareholders of the Company have any interest in the Proposed Disposal.

11. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any person in connection with the Proposed Disposal.

12. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility 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 Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the 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 the announcement in its proper form and context.

BY ORDER OF THE BOARD

Dr Wang Xiaoning
Managing Director
26 April 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.



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The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.