

THE STRATECH GROUP LIMITED
(Company Registration No. 201430212R)
Incorporated in Singapore

**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE
– RECEIPT OF WHITEWASH WAIVER FROM THE SECURITIES INDUSTRY COUNCIL**

1. INTRODUCTION

The Board of Directors (“**Board**” or “**Directors**”) of The Stratech Group Limited (the “**Company**”) refers to its previous announcements dated 16 February 2017 and 13 March 2017 (“**Previous Announcements**”) in relation to the Company’s proposed undertaking of a renounceable non-underwritten rights cum warrants issue (“**Rights cum Warrants Issue**”) of up to 313,436,340 new ordinary shares of the Company (“**Rights Shares**”) at an issue price of S\$0.10 per Rights Share, with up to 313,436,340 free detachable warrants (“**Warrants**”), with each Warrant carrying the right to subscribe for one (1) new ordinary share of the Company (“**Warrant Share**”) at an exercise price of S\$0.10 per Warrant Share, on the basis of two (2) Rights Shares for every one (1) existing ordinary share in the capital of the Company (“**Shares**”) held by the shareholders of the Company (the “**Shareholders**”) as at the time and date to be determined by the directors of the Company for the purpose of determining the Shareholders’ entitlements under the Rights cum Warrants Issue, with one (1) free Warrants for every one (1) Rights Share subscribed, fractional entitlements to be disregarded.

All capitalised terms used in this announcement shall, unless otherwise defined, have the same meanings ascribed to them in the Previous Announcements.

2. RECEIPT OF WHITEWASH WAIVER

2.1. Further to the Previous Announcements, the Board wishes to announce that the Securities Industry Council (“**SIC**”) has on 31 May 2017, granted a waiver in respect of the obligation for Mr David K.M. Chew and Ms Leong Sook Ching (collectively, the “**Concert Party Group**”) to make a general offer under Rule 14 of the Code, in the event that the aggregate voting rights of the Concert Party Group in the Company exceeds 30% or increases by 1% in any period of six (6) months as a result of the Rights cum Warrants Issue, subject to the following conditions:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the Rights cum Warrants Issue, a resolution (the “**Whitewash Resolution**”) by way of a poll to waive their rights to receive a general offer from the Concert Party Group;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Concert Party Group and parties not independent of them abstain from voting on the Whitewash Resolution;
- (d) the Concert Party Group did not acquire or are not to acquire any shares or instruments convertible into and options in respect of shares of the Company (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new shares which have been disclosed in the circular):

- (i) during the period between the first announcement of the Rights cum Warrants Issue and the date shareholders' approval is obtained for the Whitewash Resolution; and
 - (ii) in the 6 months prior to the first announcement of the Rights cum Warrants Issue but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to such issue;
- (e) the Company appoints an independent financial adviser to advise its independent shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in its circular to shareholders:
 - (i) details of the proposed Rights cum Warrants Issue;
 - (ii) the dilution effect to existing holders of voting rights in the Company, upon the acquisition by the Concert Party Group of (a) the Rights Shares under the Rights cum Warrants Issue and (b) the Warrants Shares upon exercise of the Warrants;
 - (iii) the number and percentage of voting rights in the Company, rights to subscribe for and options in respect of shares in the Company held by the Concert Party Group at the latest practicable date;
 - (iv) the number and percentage of voting rights to be acquired by the Concert Party Group as a result of their acquisition of (a) the Rights Shares under the Rights cum Warrants Issue and (b) the Warrants Shares upon exercise of the Warrants;
 - (v) specific and prominent reference to the fact that the acquisition of the Rights Shares and the Warrants Shares by the Concert Party Group could result in the Concert Party Group holding shares carrying over 49% of the voting rights of the Company based on its enlarged issued share capital, and the fact that the Concert Party Group would as a result be free to acquire further shares without incurring any obligation under Rule 14 to make a general offer;
 - (vi) specific and prominent reference to the fact that shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Concert Party Group at the highest price paid by the Concert Party Group for the Company's shares in the past 6 months preceding the commencement of the offer;
- (g) the circular by the Company to its shareholders states that the waiver granted by the SIC to the Concert Party Group from the requirement to make a general offer under Rule 14 is subject to the conditions stated at paragraphs 2.1(a) to (f) above;
- (h) the Company obtain the SIC's approval in advance for those parts of the circular that refer to the Whitewash Resolution;
- (i) to rely on the Whitewash Resolution, the acquisition of the Rights Shares by the Concert Party Group under the Rights cum Warrants Issue must be completed within 3 months of the approval of the Whitewash Resolution and the acquisition of the

Warrants Shares by the Concert Party Group upon exercise of the Warrants must be completed within 5 years of the date of the Rights cum Warrants Issue; and

(j) the Concert Party Group will comply or procure the relevant person(s) to comply with the disclosure requirements set out in Note 2 on Section 2 of Appendix I of the Code.

2.2. Further to the SIC's condition set out in paragraph 2.1(e) above, the Company has appointed RHT Capital Pte. Ltd., to advise the independent directors and independent shareholders in relation to the Whitewash Resolution.

2.3. The circular, containing further information on the Rights cum Warrants Issue, will be despatched to Shareholders in due course. Further announcements will be made by the Company in relation to the Rights cum Warrants Issue as and when appropriate.

BY ORDER OF THE BOARD

LEONG SOOK CHING

Executive Director / Company Secretary

31 May 2017