TERRATECH GROUP LIMITED
(Company Registration No. CT-276295)
(Incorporated in the Cayman Islands on 15 March 2013)

PROPOSED ACQUISITION BY TERRATECH GROUP LIMITED ("COMPANY") OF ALL OF THE ISSUED AND PAID-UP SHARES OF ALTIMATE VENTURES LIMITED, RISE EXPEDITION GLOBAL LIMITED AND FIRST STAR VENTURES LIMITED – COMPLETION OF PROPOSED AVL ACQUISITION, PROPOSED REGL ACQUISITION AND PROPOSED FSVL ACQUISITION

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*All capitalised terms in this announcement (this "**Announcement**") shall, unless otherwise defined herein, have the same meanings ascribed to them in the Company's announcements dated 9 June 2016, 8 December 2016, 7 January 2017, 15 March 2017, 29 March 2017, 31 March 2017, 21 April 2017, 25 April 2017, 2 May 2017 and 3 May 2017 (collectively, the "**Earlier Announcements**"), the circular lodged by the Company on 29 March 2017 with the SGX-ST, acting as agent on behalf of the Authority (the "**Circular**") and the offer information statement lodged by the Company on 25 April 2017 with the SGX-ST, acting as agent on behalf of the Authority ("**Offer Information Statement**").*

1. INTRODUCTION

The board of directors ("**Board**") of the Company refers to the Earlier Announcements in relation to, among others, the Proposed RTO Transactions, the results of the EGM and the lodgement of the offer information statement in relation to the Proposed Compliance Placement.

2. COMPLETION OF THE PROPOSED AVL ACQUISITION, THE PROPOSED REGL ACQUISITION AND THE PROPOSED FSVL ACQUISITION AND THE PROPOSED COMPLIANCE PLACEMENT

2.1 Further to the Earlier Announcements, the Board wishes to announce that the Company has, on 4 May 2017, following the fulfilment and/or waiver of the AVL Conditions Precedent, the REGL Conditions Precedent and the FSVL Conditions Precedent, successfully completed the Proposed AVL Acquisition, Proposed REGL Acquisition and the Proposed FSVL Acquisition.

2.2 The Company has agreed to waive the REGL Condition Precedent for the delivery by the REGL Shareholders to the Company a written approval from Elit Hartamas Sdn. Bhd. indicating that CCV is not in default of any terms and conditions in the EHSB JVA and that the EHSB JVA is valid and subsisting, as the REGL Shareholders have informed the Company that Project Austin is still in its initial stages of development and is progressing according to plan, therefore default of any of the terms and conditions in the EHSB JVA is unlikely and the EHSB JVA can be reasonably expected to be valid and subsisting. Save for the foregoing, the other AVL Conditions Precedent, the REGL Conditions Precedent and the FSVL Conditions Precedent have been fulfilled and/or deemed fulfilled.

2.3 The Board also wishes to announce that, contemporaneous with the completion of the Proposed AVL Acquisition, Proposed REGL Acquisition and the Proposed FSVL Acquisition, the Company has, on the same day, successfully completed the Proposed Compliance Placement as follows:

(a) 26,000,000 New Placement Shares were allotted and issued by the Company at the placement price of S$0.20 per New Placement Share ("**Placement Price**"); and

(b) 38,750,000 Vendor Shares were transferred from the Vendors at the Placement Price,

to the placees pursuant to the Proposed Compliance Placement.

2.4 Further to the Offer Information Statement, all 33,750,000 Tritech Placement Shares were transferred as Settlement Shares to the Tritech Lenders who had elected to accept the Early Settlement Option, for which no payment or consideration was made by such Tritech Lenders pursuant to a separate letter agreement entered into between Tritech, the Placement Agent and the Tritech Lenders in relation to the settlement terms for the Settlement Shares.

2.5 Following the completion of the Proposed AVL Acquisition, Proposed REGL Acquisition, the Proposed FSVL Acquisition and the Proposed Compliance Placement:

(a) the Company has acquired from the AVL Shareholders, the REGL Shareholders and the FSVL Shareholders, all of the issued and paid-up shares of AVL, REGL and FSVL respectively;

(b) 501,785,713 new Consolidated Shares were allotted and issued by the Company at S$0.28 per Consolidated Share to Mr. Siow;

(c) 250,892,857 new Consolidated Shares were allotted and issued by the Company at S$0.28 per Consolidated Share to Mr. Colin Tan;

(d) 250,892,857 new Consolidated Shares were allotted and issued by the Company at S$0.28 per Consolidated Share to Mr. Edwin Tan;

(e) 62,857,142 new Consolidated Shares were allotted and issued by the Company at S$0.28 per Consolidated Share to ACIL;

(f) at the request of ACIL, 5,000,000 new Consolidated Shares (being part of the ACIL Shares) were allotted and issued by the Company at the Placement Price to the placees pursuant to the Proposed Compliance Placement ("**ACIL Placement Shares**");

(g) 26,000,000 New Placement Shares were allotted and issued by the Company at the Placement Price to the placees pursuant to the Proposed Compliance Placement;

(h) applications for 38,750,000 Placement Shares sold by the Vendors (including the ACIL Placement Shares) were received by the Placement Agent pursuant to the Proposed Compliance Placement;

(i) based on the Placement Price, the net proceeds arising from the allotment and issuance of the 26,000,000 New Placement Shares is approximately S$2.0 million, after deducting all costs, expenses and commissions payable by the Company in respect of the Proposed Compliance Placement;

(j) taking into account the placement of the Placement Shares, the Company has complied with the requirements under Rule 1015(3)(a) and Rule 406(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"), whereby at least 15% of the issued share capital of the Company must be held in the hands of at least 200 public shareholders (including existing Shareholders);

(k) the total issued and paid-up share capital of the Company will increase from 170,885,501 Consolidated Shares (disregarding any fractions of Consolidated Shares arising from the Proposed Share Consolidation) to 1,268,314,070 Consolidated Shares, being the enlarged issued and paid-up share capital of the Company after the allotment and issuance of the Consideration Shares and the New Placement Shares; and

(l) the Consideration Shares and the New Placement Shares are expected to be listed and quoted on the official list of the SGX-ST Catalist with effect from 9.00 a.m. on 5 May 2017.

3. ADDITIONAL INFORMATION FOR THE COMPLIANCE PLACEMENT

3.1 Pursuant to Rule 428 of the Catalist Rules and to the best of the knowledge and belief of the Sponsor, Financial Adviser and Placement Agent to the Company, PrimePartners Corporate Finance Pte. Ltd., after having taken all reasonable steps and making all reasonable enquiries to obtain the necessary confirmation from the persons specified under Rule 428(1) of the Catalist Rules, there are no persons specified under Rule 428(1) of the Catalist Rules who were allotted and allocated the Placement Shares pursuant to the Proposed Compliance Placement.

3.2 Should it subsequently come to the attention of the Sponsor, Financial Adviser and Placement Agent to the Company that there were such persons specified under Rule 428(1) of the Catalist Rules who have been allotted and/or allocated the Placement Shares, an appropriate announcement via SGXNET will be made before the resumption of trading at 9.00 a.m. on 5 May 2017.

3.3 The Company will make periodic announcements as and when the proceeds from the Proposed Compliance Placement are materially disbursed and whether such cause is in accordance with the use as stated in the Offer Information Statement. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the net proceeds in its interim financial results announcements and annual report. Any material deviation in the use of the net proceeds will be subject to the Catalist Rules and appropriate announcements will be made by the Company on SGXNET.

4. LISTING AND QUOTATION

4.1 The Company had, on 30 March 2017, received the listing and quotation notice from the SGX-ST in respect of the listing of and quotation for the Consolidated Shares, the Consideration Shares and the New Placement Shares on Catalist and as at the date of this Announcement, such listing and quotation notice has not been revoked or amended.

4.2 The listing and quotation notice from the SGX-ST is not an indication of the merits of the Company, its subsidiaries, the Proposed Compliance Placement, the Consolidated Shares, the Consideration Shares and the New Placement Shares.

5. RESUMPTION OF TRADING

The listing of and quotation for the Consideration Shares and the New Placement Shares, the lifting of suspension of trading and the resumption of trading of the Consolidated Shares (including the Placement Shares) are expected to commence at 9.00 a.m. on 5 May 2017, subject to the SGX-ST being satisfied that all conditions necessary for the resumption of trading in the Consolidated Shares have been fulfilled.

6. RECONSTITUTION OF THE BOARD AND THE BOARD COMMITTEES

6.1 Following the completion of the Proposed AVL Acquisition, the Proposed REGL Acquisition and the Proposed FSVL Acquisition, Mr. Dominic Tan, Mr. Siow, Mr. Tham and Mr. Victor Lye ("**New Directors**") have been appointed as directors of the Company with effect from 4 May 2017. Mr. Aw Eng Hai remains as an independent director of the Company on the New Board following Completion. Dr. Wang Xiaoning, Dr. Loh Chang Kaan and Mr. Tay Yew Khem have resigned from the Board with effect from 4 May 2017.

6.2 The details of the appointment of the New Directors are set out in the announcements separately released by the Company on 4 May 2017.

6.3 The composition of the Board effective from 4 May 2017 is as follows:

(a) Mr. Dominic Tan as Non-Executive Chairman and Independent Director;

(b) Mr. Siow as Executive Director and Chief Executive Officer;

(c) Mr. Tham as Executive Director;

(d) Mr. Aw Eng Hai as Independent Director; and

(e) Mr. Victor Lye as Independent Director.

6.4 Following the reconstitution of the Board, the Nominating Committee, the Remuneration Committee and the Audit Committee of the Company have been reconstituted respectively effective from 4 May 2017, as follows:

(a) <u>Nominating Committee</u>

Mr. Victor Lye (Chairman)
Mr. Dominic Tan
Mr. Aw Eng Hai

(b) <u>Remuneration Committee</u>

Mr. Dominic Tan (Chairman)
Mr. Aw Eng Hai
Mr. Victor Lye

(c) <u>Audit Committee</u>

Mr. Aw Eng Hai (Chairman)
Mr. Dominic Tan
Mr. Victor Lye

7. NEW PRINCIPAL PLACE OF BUSINESS AFTER COMPLETION

7.1 Following the completion of the Proposed AVL Acquisition, the Proposed REGL Acquisition and the Proposed FSVL Acquisition, the new principal place of business of the Company is located at 01-02-01 & 02, Pangsapuri Jentayu, Jalan Tampoi, Kawasan Perindustrian Tampoi, Johor Bahru, 81200 Johor, Malaysia with effect from 4 May 2017.

7.2 The registered office of the Company shall remain at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

8. CHANGE OF NAME AND TRADING COUNTER NAME OF THE COMPANY

8.1 Pursuant to the approval of the Shareholders at the EGM, the Board has determined that the effective date of the change of name of the Company from "Terratech Group Limited" to "Capital World Limited" will be 4 May 2017.

8.2 The change of the Company's trading counter name on the SGX-ST from "Terratech" to "Capital World" will take effect from 9.00 a.m. on 5 May 2017.

9. CHANGE OF FINANCIAL YEAR END OF THE COMPANY

9.1 Following the completion of the Proposed AVL Acquisition, the Proposed REGL Acquisition and the Proposed FSVL Acquisition, in order to align the Company's financial year end with those of the rest of the entities in the Enlarged Group (being the Company, its subsidiaries and the Capital City Group Companies), the Board wishes to announce that the financial year end of the Company will be changed from 31 March to 30 June of each year.

9.2 Following the above change, the next set of audited financial statements of the Company will cover a period of 12 months from 1 July 2016 to 30 June 2017.

9.3 Accordingly, pursuant to Rule 705(4) of the Catalist Rules, the Company will be releasing the announcements of its financial results following Completion as follows, with comparisons being made to the financial results of the Company and its subsidiaries prior to Completion, from the relevant preceding financial period:

Type of announcement	**Financial period covered**	**Comparative financial period covered**	**Latest date for release of announcement**
Unaudited full year results of the Company and its subsidiaries	1 April 2016 to 31 March 2017 (12-month period)	1 April 2015 to 31 March 2016 (12-month period)	30 May 2017
Unaudited third quarterly results of the Capital City Group	1 January 2017 to 31 March 2017 (3-month period and 9-month period)	1 January 2016 to 31 March 2016 (3-month period and 9-month period)	14 June 2017
Unaudited full year results of the Enlarged Group	1 July 2016 to 30 June 2017 (12-month period)	1 July 2015 to 30 June 2016 (12-month period)	29 August 2017

9.4 In accordance with Rule 705(4)(b) of the Catalist Rules, the Company hereby confirms that there is no material adverse change to the financial position of the Company since 29 March 2017 and 25 April 2017, being the respective dates of the Circular and the Offer Information Statement issued by the Company to its Shareholders and lodged with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore, in connection with the Proposed RTO Transactions and the Proposed Compliance Placement respectively.

9.5 Following the change in its financial year end, the Company intends to hold its next annual general meeting on or before 31 October 2017 in compliance with the Catalist Rules and its Articles of Association.

10. CHANGE IN REPORTING AND FUNCTIONAL CURRENCY OF THE COMPANY

10.1 In connection with the consolidation of the financial statements of the Enlarged Group following Completion, the Board also wishes to announce that the reporting and functional currency of the Company's financial statements will be changed from Singapore Dollars (S$) to Malaysian Ringgit (RM).

10.2 The Company considers RM to be the most appropriate reporting and functional currency which best reflects the circumstances of the Enlarged Group given that following Completion, the core business of the Enlarged Group would comprise its Existing Business and the Business of the Capital City Group and accordingly, most of the revenue and costs of the Group will be transacted in RM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company 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 RTO Transactions, the Company and its subsidiaries, and the directors of the Company are not aware of any facts the omission of which would make any statement in this Announcement misleading. 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 of the Company 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.

BY ORDER OF THE BOARD

Lee Pih Peng
Company Secretary

4 May 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 Catalist. 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.

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.