



DUTECH HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Registration No. 200616359C

ACQUISITION OF KRAUTH TECHNOLOGY GMBH BY DUTECH HOLDINGS LIMITED

The Board of Directors ("Board") of Dutech Holdings Limited (the "Company") wishes to announce that it has on 22 December afternoon, 2015 (Germany time) entered into an agreement ("**Agreement**") with Nussbaum Technologie-Holding GmbH & Co. KG ("**Nussbaum Technologie**"), a company incorporated in Germany, to acquire 100% shareholding interest in Krauth Technology GmbH ("**Krauth**"), a company incorporated in Germany ("**Proposed Acquisition**").

Pursuant to the Agreement, the Company will purchase issued shares constituting 100% of issued share capital of Krauth from Nussbaum Technologie for Euro Two Hundred Thousand Dollar (€200,000.00). The Company will also purchase product Know-how for Euro Two Hundred and Fifty Thousand Dollars (€250,000.00) from Nussbaum Technologie. In the meantime, the Company will provide shareholder's loan of Euro 2.02 million Dollars to Krauth. The Proposed Acquisition was arrived on a willing-buyer, willing-seller basis.

The Board took into account the following factors in determining the Consideration: the rationale for the Proposed Acquisition elaborated below and the financial performance and position of Krauth.

The Board decided to undertake the Proposed Acquisition, taking into consideration of Krauth's experienced software design capabilities, its product offerings with high market potential, and the synergy in R&D, design and manufacturing of intelligent terminals with the Company.

Krauth, established in 1926, is a developer and producer of solution products such as Auto-Ticketing Machines and Money Changers. It has plants in Eberbach/Baden, near Heidelberg, Germany with 110 employees.

The net tangible asset of Krauth was €220,000 as at 31 August, 2015.

The Company expects to complete the Proposed Acquisition by 1 January, 2016. On completion, Krauth will become a subsidiary of the Company.

None of the Directors and substantial shareholders has any interest, direct or indirect in the Proposed Acquisition.

By order of the Board

Dr. Johnny Liu Jiayan
Chairman and CEO
23 December, 2015