

Terratech Group Limited Signs Conditional Sale and Purchase Agreement for the Proposed RTO of Capital City Property Sdn Bhd for S\$300.0 million

Highlights:

- *The proposed acquisition (“**Proposed Acquisition**”) of the entire issued and paid-up capital of Capital City Property Sdn Bhd (“**Target Company**” or “**Capital City**”) for S\$300.0 million, which is expected to result in a Reverse Takeover (“**RTO**”), is to be satisfied by the issuance of 4,285,714,286 new shares in the capital of Terratech Group Limited (“the **Company**”) to the shareholders of Capital City (“**Vendors**”) at an issue price of S\$0.07. This in turn values Terratech at S\$48.0 million.*
- *Capital City is a transformative developer engaged in the conception, design and execution of integrated property development projects in Malaysia such as Project Capital City, an iconic integrated development project in Tampoi, Johor Bahru, Malaysia.*
- *The Proposed Acquisition offers the shareholders of the Company (i) exposure to the attractive niche market in iconic integrated development projects in Malaysia as well as (ii) potential opportunities to supply the Company’s high quality marble products to the current and future projects of Capital City.*
- *By conducting this proposed RTO exercise, Capital City aims to raise its profile as a uniquely transformative developer in an international capital market like Singapore, and at the same time, build synergies with Terratech’s existing marble business.*

Singapore 9 June 2016 – Terratech Group Limited (“the **Company**”), an SGX Catalist-listed producer of high quality marble products, is pleased to announce that it has entered into a conditional sale and purchase agreement (“**SPA**”) with the shareholders (“**Vendors**”) of Capital City Property Sdn Bhd (“the **Target Company**” or “**Capital City**”) to acquire the entire issued and paid-up share capital of the Target Company for S\$300.0 million.

The Proposed Acquisition offers the shareholders of the Company (i) exposure to the attractive niche market in iconic integrated development projects in Malaysia as well as (ii) potential opportunities to supply the Company's high quality marble products to the current and future projects of Capital City.

Capital City, a Transformative Developer of Iconic Projects

Incorporated in Malaysia on 14 June 2013, Capital City is mainly engaged in the conception, design and execution of integrated property development projects in Malaysia, such as Project Capital City. The company sees itself as a transformative developer of iconic projects, adding significant commercial value to projects for its stakeholders and introducing new concepts that will revitalize urban landscapes.

Project Capital City is an example of this transformative philosophy. Today, Project Capital City is transforming Johor Bahru's commercial property scene by integrating entertainment, retail, hospitality and residential into one iconic development. When completed, Project Capital City aims to bring transformative entertainment and retail concepts to Johor Bahru.

Located at Tampoi, Johor Bahru, Project Capital City is an approximate 20 minutes' drive from the Johor Bahru CIQ Complex, and is connected to major highways, such as the Skudai Highway (Lebuhraya Skudai), Pasir Gudang Highway and the Tebrau Highway.

Project Capital City covers a significant land site of 40,851m² (or approximately 10 acres). When completed, the project shall comprise two hotel and service suites towers and three towers of serviced apartments, with a planned total of 945 units and 690 units respectively, all of which will sit on top of a six-storey thematic entertainment retail mall.

A Synergistic Partnership, A Bright Future

Commenting on today's SPA, Dr Loh Chang Kaan, CEO of Terratech Group Limited remarked, **"We are very pleased with the signing of this conditional SPA with Capital City. We believe this is a synergistic partnership with a bright future. As a producer of quality marble products, we can gain access to Capital City's exciting projects, which may drive usage of our premium quality marble"**.

"Capital City's unique positioning as a transformative developer opens up significant value for our shareholders and investors. With a larger market capitalization and exciting growth potential, we aim to attract stronger analyst coverage and raise investor interest in our Company," Dr Loh added.

Remarking on this maiden foray into the Singapore capital market, Mr Siow Chien Fu, Founder and Executive Director of Capital City said, **"We are excited to partner with the team at Terratech as our objectives are well-aligned. We can continue to help Terratech open new market opportunities while gaining entry into the Singapore capital market. We see this as a clear win-win proposition for both of us"**.

"Listing by way of an RTO enables us to raise our profile as a uniquely transformative developer amongst investors on SGX, renowned for being an international capital markets platform. Our maiden project, Project Capital City, is an ongoing development and is well on its way to becoming an iconic integrated development in Johor Bahru," Mr Siow concluded.

An award-winning architect by training, Mr Siow graduated with a Bachelor of Architecture Degree from University of Kansas, USA in 1986 and is a member of APAM (Ahli Pertubuhan Arkitek Malaysia), the Missouri Board of Professional Architects, USA, and IDPM (Institute Perekabentuk Dalam Malaysia). Mr Siow has strong experience in the design and development of varied property projects in Malaysia and overseas, some of which have won industry awards and accolades.

Note to all readers: Please read this press release in conjunction with the Company's announcement on this subject that is concurrently posted on the SGXnet.

The information on the Target Company in this press release was provided by the Vendors and the Target Company, and the Company has not independently verified the accuracy and correctness of the same.

Save for the foregoing, the Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this press release and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this press release constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Company and the Directors are not aware of any facts the omission of which would make any statement in this press release misleading. Where information in this press release 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 this press release in its proper form and context.

Issued on behalf of **Terratech Group Limited and Capital City Property Sdn Bhd**
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About Terratech Group Limited

Listed on the Singapore Exchange on 30 July 2014, Terratech Group Limited is a Catalyst-listed exploration, development, quarrying, processing and production of premium quality marble blocks and slabs, aggregates and calcium carbonate powder from its Kelantan Marble Quarry, with first commercial production of marble having commenced in early 2012.

About Capital City Property Sdn Bhd

Incorporated in Malaysia on 14 June 2013, Capital City is primarily engaged in the conception, design and execution of integrated property development projects in Malaysia, such as Project Capital City. When completed, Project Capital City aims to be an iconic integrated development in Johor Bahru, Malaysia, bringing transformative entertainment and retail concepts to Johor Bahru.