



TRITECH GROUP LIMITED

31 Changi South Avenue 2 Tritech Building Singapore 486478

(Company Registration No.: 200809330R)

PROPOSED SALE OF WHOLLY- OWNED SUBSIDIARY PRESSCRETE ENGINEERING PTE LTD

All capitalised terms used and not defined herein shall have the same meanings given to them in the announcement dated 15 April 2019 (the "**Announcement**") issued by the Company in relation to the Proposed Sale, unless otherwise expressly stated or the context otherwise requires.

1. INTRODUCTION

1.1 SALE AND PURCHASE AGREEMENT

Further to the Announcement on the entry of the Framework Agreement in relation to the Proposed Sale, the Board of Directors of Tritech Group Limited ("**Company**") wishes to announce that the Company and its wholly-owned subsidiary TGL Engineering Pte Ltd ("**TGL**") (collectively the "**Sellers**") have on 12 May 2019 entered into a sale and purchase agreement ("**SPA**") with Lim Wen Heng Construction Pte Ltd (the "**Purchaser**") for the sale of 100% of the total issued share capital of Presscrete Engineering Pte Ltd ("**Presscrete**")

1.2 Rule 704(17) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**")

Presscrete is a wholly-owned subsidiary of TGL, which is itself a wholly-owned subsidiary of the Company.

Upon completion of the Proposed Sale, Presscrete will cease to be an indirect wholly-owned subsidiary of the Company.

2. PRINCIPAL TERMS OF THE SPA

2.1 Consideration

2.1.1 Under the SPA, the Purchaser has agreed to pay the Sellers a consideration ("**Consideration**") which comprises the sum of Item A, Item B, Item C and Item D, as further elaborated below:

- (a) **Item A:** the net tangible asset value (representing a positive figure) or net liability (representing a negative figure) (as the case may be) of Presscrete as at 31 December 2018 ("**NAV**").
- (b) **Item B:** the intangible assets of Presscrete, mutually agreed at S\$50,000.
- (c) **Item C:** 50% of the net profits (representing a positive figure) or net losses (representing a negative figure), each after tax, to be generated from or otherwise attributable to the certain agreed projects ("**Agreed Projects**") within the period of two years from 1 January 2019 to 31 December 2020 ("**Agreed Period**"). In the event that some (and not all) of the Agreed Projects will not be completed by 31 December 2020, the Agreed Period can be extended up to the date that the certificate of substantial completion ("**Certificate of Substantial Completion**") is issued in respect of all the Agreed Projects.
- (d) **Item D:** the aggregate of all liabilities and obligations (including but not limited to liabilities and debts of a trade and non-trade nature due) as at completion of the Proposed Sale ("**Completion**"), both actual and contingent, owed or due by Presscrete to the Sellers and certain companies and persons (shareholders, directors and officers) related to the Sellers, including subsidiaries of the Company ("**Sellers Group**").



TRITECH GROUP LIMITED

31 Changi South Avenue 2 Tritech Building Singapore 486478

(Company Registration No.: 200809330R)

Item D shall exclude the aggregate amount of S\$2,135,499.09 under Payment No. 1 (as defined in Section 2.2 below).

The aggregate of Items A, B and C shall be referred to as the "**Sale Price**".

- 2.1.2 Any payment of the Consideration required to be made by the Purchaser of which Item D comprises a part, then payment of that part that comprises Item D shall be made by Presscrete to the relevant entity in the Sellers Group to whom Item D is owed.
- 2.1.3 Payment of the Consideration will be secured by a personal guarantee from Mr Lin Bing Cheng, major shareholder of the Purchaser, holding 94% shareholding interest in the Purchaser, by way of a deed of guarantee to be executed as a condition precedent to completion.
- 2.1.4 For the purposes of determining Item A, the Company and the Purchaser have mutually agreed to the appointment of Baker Tilly LLP ("**Independent Auditor**") to conduct a special audit of Presscrete for the 9 months period ended 31 December 2018 ("**Special Audit**") and the appointment of Robert Khan & Co Pte. Ltd. ("**Independent Valuer**") to carry out a valuation of the property, plant and equipment of Presscrete ("**PPE**"), and the parties have further agreed that the amount of PPE to be attributed to Item A shall be at a 25% discount to the value of the PPE as determined by the Independent Valuer as aforesaid.
- 2.1.5 Item C will not be finalized until the issue of Certificate of Substantial Completion for all of the Agreed Projects, and the quantum of the net profits after tax or net losses (as the case may be) of the Agreed Projects being determined.

The parties have agreed that Presscrete shall arrange for the audit by a mutually agreed auditor of Item C no later than the later of 15 March 2021 or three months after the issue of Certificate of Substantial Completion for all of the Agreed Projects, whichever is the later, so that the sum of Items A, B, C and D can be determined in order to finalise payments (or refunds, as the case may be), for Payments No.2, 3, 4 and 5. If the Sellers are not satisfied with such audit result, the Sellers can appoint a mutually agreed auditor to conduct re-audit on Item C at the own cost of the Sellers.

- 2.1.6 Under the terms of the SPA, the Parties have agreed that if the aggregate of Items A, B and C is negative, the absolute aggregate shall be applied to reduce and offset Item D and accordingly, (a) no Consideration shall be payable by the Purchaser and accordingly, any payments towards the Consideration made by the Company or Purchaser, other than Payment No.1 and Payment No.2, shall on demand be immediately repayable by the Sellers, and (b) any liability and obligation under Item D, to the extent applied towards such reduction and offset shall be immediately deemed waived and discharged; and (c) if there is insufficient Item D to offset the aggregate of Items A, B and C, the balance shall be payable by the Sellers to the Purchaser.
- 2.1.7 Accordingly, Shareholders should note that:
 - (a) the Sale Price is not fixed, and there is no certainty or assurance of what may be the final amount of Sale Price which the Sellers may receive. In particular, the quantum of the Sale Price would depend on the quantum of net profits after tax or net losses (as the case may be) of the Agreed Projects, and the Sellers may receive nil consideration if Item C is a negative figure which cancels out the aggregate of Item A and Item B;
 - (b) the Consideration payable is subject to adjustment, and there is no certainty or assurance of what may be the final amount of Consideration which the Sellers and Sellers Group may receive. In particular, if the aggregate of Items A, B and C is negative ("**Shortfall Amount**"), depending on the extent of the quantum of such negative figure, the entire amount of Item D (apart from the sum of S\$2,135,499.09 under Payment No 1 and S\$4,000,000 under Payment No. 2), may have to be used to offset against the Shortfall



TRITECH GROUP LIMITED

31 Changi South Avenue 2 Tritech Building Singapore 486478

(Company Registration No.: 200809330R)

Amount, thereby resulting in the Sellers Group being unable to recover the Relevant Amounts Owing (as defined below) due to them.

- (c) the Sellers would additionally still be liable to pay the Purchaser any further Shortfall Amount still remaining after such offset of Item D, with no cap on the maximum liability which the Sellers have to bear in this connection.

2..1.8 The Sale Price and the manner of payment of the Consideration was arrived at by agreement between the Sellers and the Purchaser on a "willing-buyer, willing-seller" basis, after negotiations at arm's length, after taking into account, *inter alia*, the financial position of Presscrete and information as detailed in paragraph 2.1.3 to 2.1.5.

2.2 Consideration Payment Timeline

2.2.1 Pursuant to the terms of the SPA, it is contemplated that payment of the Consideration shall be made over 5 tranches, Payment No. 1 to Payment No. 5 (each as defined below), according to the consideration payment timeline as further set out in Section 2.2.2 below.

2.2.2 (a) The Purchaser has paid the Sellers the sum of S\$1,200,000 on 13 April 2019, and will procure Presscrete to pay the Sellers the sum of S\$935,499.09 on Completion (collectively "**Payment No. 1**") in partial payment of certain bank cash collateral, performance bond premium and bank account payments paid or made by the Sellers Group on behalf of Presscrete amounting in aggregate to S\$4,215,512.50 ("**Collateral Payments**"), provided the Collateral Payments remain at such aggregate amount (or higher) as at Completion.

(a) The Purchaser shall pay an aggregate amount of S\$4,000,000 on 30 September 2019 to such third party(ies) as may be required to secure the discharge of all encumbrances, security and/or other encumbrances (as the case may be) over any assets of Presscrete so charged or encumbered for the benefit of the Sellers Group and, to the extent that such security has already been discharged, to the Sellers or Sellers Group ("**Payment No. 2**").

(b) The Purchaser shall pay 30% of the aggregate of Items A, B, C and D less Payment No. 2 ("**Payment No. 3**"), on or upon 12 months of the Completion Date.

If at such time of Payment No.3, 30% of the aggregate of Items A, B, C and D is less than the aggregate of Payment No. 2, then no payment need be made by the Purchaser and the Shortfall Amount shall be immediately refunded by the Sellers to the Purchaser.

(c) The Purchaser shall pay 30% of the aggregate of Items A, B, C and D less Payment No. 2 ("**Payment No. 4**"), on or upon 18 months of the Completion Date.

If at such time of Payment No.4, 60% of the aggregate Items A, B, C and D is less than the aggregate of Payment No. 2 and Payment No. 3 (less any amount actually refunded by the Sellers to the Purchaser), then no payment need be made by the Purchaser and the shortfall shall be immediately refunded by the Sellers to the Purchaser.

(d) The Purchaser shall pay 40% of the aggregate Items A, B, C and D less Payment No. 2 ("**Payment No. 5**"), on or upon 27 months of the Completion Date.

In the event the Agreed Projects have not been completed in time, Payment No. 5 shall be deferred until such date on which the Certificate of Substantial Completion and the estimated final account is received for all the Agreed Projects.

If at such time of payment, the aggregate Items A, B, C and D, based on the then Item C, is less than the aggregate of Payments No. 2, 3 and 4 (less any amount already refunded by



TRITECH GROUP LIMITED

31 Changi South Avenue 2 Trittech Building Singapore 486478

(Company Registration No.: 200809330R)

the Sellers to the Purchaser), the no payment need be made by the Purchaser and the Shortfall Amount shall be refunded by the Sellers to the Purchaser.

For the avoidance of doubt, Payments No. 3, 4 and 5 shall constitute 100% of the sum of Items A, B, C and D less Payment No. 2.

If the trade and other receivables and trade receivable-retention sum reflected in the 9 months audited financial statements as at 31 December 2018 are uncollectible, despite the Purchaser/Presscrete using reasonable efforts, the uncollectible amount shall be written off to reduce the sum of Items A, B, C and D. If applicable, the legal cost associated with the collection of the above sum shall be deducted from the sum of Items A, B, C and D.

2.2.3 Under the terms of the SPA, the Purchaser and Presscrete shall have the right and be entitled to pay any part of Item D to any third parties to secure the release of any security or guarantee granted by Presscrete, or in respect of Presscrete's assets, that were granted for the benefit of any in the Sellers Group, save where the Sellers have provided evidence satisfactory to the Purchaser that such security or guarantee have been discharged.

2.2.4 Payment No. 3 to Payment No. 5 will be made based on, *inter alia*, estimates of Item C, based on the internal finance form as prepared by Presscrete and reviewed by the Sellers.

While the parties currently contemplate that the Agreed Projects will be completed by 31 December 2020, there is no certainty or assurance that this timeline can be achieved as this would depend, *inter alia*, upon the due completion of the Agreed Projects within the Agreed Period. In the event of any delays in the completion of any of the Agreed Projects, the receipt of full payment of Payment No. 5 will be deferred accordingly.

2.3 Repayment of amounts owing by Presscrete to the Group and the Company's shareholders

In connection with the above, the Sellers and the Sellers Group have (each an "Obligor"), as at the date of the SPA, executed a deed of undertaking ("**Sellers Group Undertaking Deed**") providing, *inter alia*:

- (a) to refrain from enforcing against any rights by such party under any agreement, instrument or arrangement, against Presscrete and Purchaser save as permitted under the SPA;
- (b) to allow Presscrete and the Purchaser to set off against the relevant amounts owing (or any part thereof) the Short Fall Amount;
- (c) to waive in its entirety any obligation or liability due by Presscrete or the Purchaser to the Obligor in respect of the relevant amount owing (or any part thereof) to the extent such amount is to be set off against the Shortfall Amount;
- (d) that Presscrete and the Purchaser's rights to set off the relevant amounts owing (or any part thereof) against the Shortfall Amount (or any part thereof) shall be subject to, and conditional upon Presscrete and the Purchaser not having otherwise recovered the Shortfall Amount (or any part thereof) at any time or from time to time against any other amounts owing to one or more members of the Sellers Group, with the intention that Presscrete and the Purchaser shall not be entitled to recover the Shortfall Amount more than once, or in an amount in excess of 100% of the Shortfall Amount.

2.4 Conditions Precedent

The Proposed Sale is subject to, *inter alia*, the following conditions precedent having been satisfied or waived:



TRITECH GROUP LIMITED

31 Changi South Avenue 2 Tritech Building Singapore 486478

(Company Registration No.: 200809330R)

- (a) all necessary third party, governmental and regulatory consents, approvals, waivers, permits or exemptions, if application, for the implementation of the transactions contemplated under the SPA under any agreement, undertaking or arrangement binding on Presscrete or under the applicable laws;
- (b) all notifications to any third parties that are necessary or desirable under any existing licenses, agreements, undertakings or arrangements binding on Presscrete to ensure that any transaction contemplated thereunder will not be affected by the transactions contemplated in the SPA have been made by Presscrete, including but not limited to the notification;
- (c) the results of any due diligence review (including but not limited to legal, financial, contractual, tax, valuation or otherwise) conducted or to be conducted in respect of the Company, subject to the satisfaction and approval from the board of directors of the Purchaser and otherwise being satisfactory to the Purchaser, and completion of the financial due diligence into the aggregate liabilities of Presscrete due to the Sellers and the Sellers Group as at 31 March 2019;
- (d) there being in the view of the Purchaser no material differences (defined as being more than S\$10,000 in aggregate) between the information disclosed to the Purchaser, relating to inter alia, related party contracts, guarantees, encumbrances and creditors, prior to signing of the SPA and the day immediately preceding Completion, and there being no material difference in the information disclosed to the Purchaser and the results of the due diligence carried out by or on behalf of the Purchaser;
- (e) the Sellers and the Sellers Group entering into agreements for the continued provision of services and goods by the Sellers Group to Presscrete, on terms that the existing commercial inter-contracts between Presscrete and the Sellers and Sellers Group shall remain the same, unless there is additional scope of works or new projects, which should be negotiated separately. Such service fee incurred on 1 January 2019 and afterwards shall be claimed progressively according to the payment terms of the service contract;
- (f) the Sellers providing evidence satisfactory to the Purchaser that (a) payment has been made by the Sellers Group for no less than 30% of the aggregate purchase price (including goods and services taxes) for 2 sets of equipment purchased for one of the Agreed Projects, (b) performance bond premium in the amount of S\$224,000.00 and (c) there remains a cash collateral in the amount of S\$2,137,452.50 placed with an insurance under the name of Presscrete;
- (g) the Sellers providing evidence satisfactory to the Purchaser that there are arrangements in place, the terms of which are reasonably satisfactory to the Purchaser, relating to certain S-Pass workers of the Company and the Sellers having provided a written indemnity, in form and substance acceptable to the Purchaser, indemnifying the Company and the Purchaser against any breach of any workers or employment laws of Singapore;
- (h) the entry of a service agreement between Dr Loh Chang Kaan and Presscrete, on terms agreeable to the Purchaser, for the continued appointment of Dr Loh Chang Kaan as a director of Presscrete to oversee the completion of the Agreed Projects;
- (i) the Special Audit and valuation of Presscrete having been completed and the provision of the audited accounts of Presscrete in connection with the Special Audit having been issued on such basis as set out in accordance with the SPA;
- (j) the Purchaser having executed such agreements or documents as TGL and the Company may require for the novation or transfer of, and otherwise to assume the obligations of, and release and discharge the Sellers and the Sellers Group from their obligations under certain



TRITECH GROUP LIMITED

31 Changi South Avenue 2 Trittech Building Singapore 486478

(Company Registration No.: 200809330R)

guarantees, or in the event any of the counterparties under the such guarantees do not agree to such novation or transfer, to grant the Sellers and the Sellers Group an indemnity or counter-guarantee, in terms reasonably acceptable to the Sellers, in respect of their continuing obligations under such guarantees; and

- (k) there being no occurrence of an event, circumstance, change, development or matter which would have a material adverse effect on the business of Presscrete or which may result in a reduction by five percent (5%) or more in the net tangible assets of the Presscrete or a diminution by five percent (5%) of more in the annual gross profit or net profit of the Presscrete or increase by five percent (5%) of more in the annual gross loss or net profit of the Presscrete.

(collectively, the "**Conditions Precedents**")

2.5 Other Salient Terms

In addition pursuant to the SPA:-

- (a) If trade and other receivables and trade receivable-retention sum reflected in the Special Audit are uncollectible, despite the Purchaser and/or Presscrete using reasonable efforts, the uncollectible amount shall be written-off to reduce the Consideration.
- (b) The Sellers, and the Sellers will procure that the Sellers Group, shall not for a period of 3 years from the latest date of issuance of the Certificate of Substantial Completion for all the Agreed Projects, carry on or be engaged in, directly or indirectly, whether as a shareholder, director, partner, agent or otherwise in any business which competes with the specialised engineering business carried on by Presscrete during the period of one year prior to completion.

For the avoidance of doubt, the above non-compete limitation does not preclude the Group from its existing ground and structural engineering division business, which involves, *inter alia*, the Provision of ground engineering services such as site investigations, soils and ground testing, geophysical survey, engineering survey, geotechnical instrumentation & monitoring, design & consultancy, inspection & supervision, project planning & management.

3. INFORMATION ON PRESSCRETE

3.1 Business

Presscrete is a company principally engaged in the provision of specialist engineering services, broadly divided into three categories namely (i) structural engineering services, which includes specialist services for building and civil structures such as structural repair, build of post-tension systems for buildings and bridges, (ii) ground engineering services such as soil improvement by jet grouting, installation of soil nails, ground anchors and micropiles, build of retaining wall systems for slope cutting and stabilisation, and basement evacuation works, and (iii) special construction services such as micro-tunneling and pipe jacking.

Presscrete is a wholly owned subsidiary of TGL which in turn is a wholly owned subsidiary of the Company.

3.2 Financial Information

The net tangible asset value of the Sale Shares as recorded in the unaudited consolidated financial statements of the Group as at 31 December 2018 was approximately S\$1,517,000.



TRITECH GROUP LIMITED

31 Changi South Avenue 2 Tritech Building Singapore 486478

(Company Registration No.: 200809330R)

For the financial year ended 31 March 2018, Presscrete had an audited net loss of S\$2,433,000 while for the nine months ended 31 December 2018, Presscrete had an unaudited net loss of S\$1,653,000.

3.3 Gain from the proposed Disposal

The Company is expected to recognise a net gain of S\$250,000, assuming the Sale Price is the Assumed Sale Price (as defined in Section 6 below) and after taking into consideration of the adjustments in Section 6.1.1(a) below together with the professional fees

4. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

The relative figures computed on the relevant bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Sale and based on the latest announced unaudited financial statements of the Group for the 9 months financial period ended 31 December 2018 (“3Q2019”) are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	3.18 ⁽¹⁾
(b)	The net losses attributable to the assets acquired or disposed of, compared with the group's net losses.	25.60 ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	1.10 ⁽³⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as the transaction is disposal.
(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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable as the Company is not a mineral, oil and gas company.

Notes:

- (1) Based on the unaudited consolidated financial statements for 3Q2019, the net asset value of Presscrete and the Group as at 31 December 2018 is approximately S\$1,517,000 and S\$47,656,000 respectively.
- (2) Based on the unaudited consolidated financial statements for 3Q2019, the net losses attributable to Presscrete is S\$1,653,000 and the net losses of the Group is S\$6,458,000.
- (3) Based on the assumption that the Sale Price would be equal to the Assumed Sale Price of S\$400,000 -as further elaborated in Section 6 below. The market capitalisation of approximately S\$36,318,847 was computed based on its existing share capital of 907,971,182 issued shares (excluding treasury shares) and the volume weight average price of S\$0.04 per share on 10 March 2019 (being the last market day on which the Company's shares were traded preceding the date of the SPA).



TRITECH GROUP LIMITED

31 Changi South Avenue 2 Tritech Building Singapore 486478

(Company Registration No.: 200809330R)

As the relative figures computed on the bases set out in Rule 1006(a), (b) and (c) of the Catalyst Rules above exceed 5% but not exceed 50%, the Proposed Sale constitutes a "disclosable transaction" under Chapter 10 of the Catalyst Rules and is not conditional upon the approval of Shareholders.

5. RATIONALE FOR THE PROPOSED SALE

- 5.1 The Board wishes to re-iterate that the Proposed Sale will allow the Company to dispose of a loss-making subsidiary and re-strategise its financial and capital resources. Upon completion of the Proposed Sale, the Company will have more working capital and resources for use within the Group's remaining specialised engineering business and/or to focus on the expansion of the Group's other business segments, namely its water-related and environmental business and undertake new investment opportunities that may arise in future.
- 5.2 Accordingly, the Board believes that the Proposed Sale is in the best interests of the Company, having regard to the terms of the Proposed Sale.

6. FINANCIAL EFFECTS OF THE PROPOSED SALE

6.1 Bases and Assumptions

The pro forma financial effects have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2018 ("FY2018") and do not necessarily reflect the actual future financial position and performance of the Group following completion of the Proposed Sale, and on the assumptions that:

- 6.1.1 The Sale Price (being the aggregate of Items A, B and C) would be equal to S\$400,000 ("**Assumed Sale Price**"), based on, *inter alia*, the following bases and assumptions:
- (a) The value of Item A would be S\$100,000 after adjusting for provisions for reduction in PPE value and additional cost for certain existing projects;
 - (b) The value of Item B is S\$50,000; and
 - (c) The value of Item C would be S\$250,000. Based on the contract sums of the Agreed Projects and the current estimated cost to go ("**Estimated Cost to Go**") for the Agreed Projects, it is currently contemplated that the Agreed Projects will be profitable, and the Sellers' 50% share of the net profits after tax arising in respect of the Agreed Projects would be approximately S\$250,000. The Board is of the view that the assumptions used to derive the Estimated Cost to Go are reasonable having regard to relevant factors, such factors specific to the nature of the Agreed Projects and comparisons to other similar projects undertaken in the past.
- 6.1.2 The value of Item D as at 31 December 2018 would be equal to S\$11,801,114.60. The aggregate amount of all liabilities and obligations (including but not limited to liabilities and debts of a trade and non-trade nature due) both actual and contingent, owed or due by Presscrete to the Sellers and the Sellers Group (collectively the "**Relevant Amounts Owning**") as at 31 December 2018 would be S\$11,801,114.60.

The value of the Consideration, being the aggregate of Items A,B,C and D would be equal to S\$12,201,114.60, without any obligation on the part of the Sellers Group to allow all or any part of Item D to be used to offset against any Shortfall Amount, nor would the Sellers be additionally liable to pay the Purchaser any further Shortfall Amount still remaining after such offset of Item D.

Notwithstanding the foregoing, as mentioned in Section 2.1 above, neither the Sale Price nor the Consideration is fixed as the Sale Price is dependent, *inter alia*, on the net profits after tax or net losses (as the case may be) of the Agreed Projects, and payment of the Consideration may be subject to adjustment in the event of losses incurred on the Agreed Projects, and there is no



TRITECH GROUP LIMITED

31 Changi South Avenue 2 Tritech Building Singapore 486478

(Company Registration No.: 200809330R)

certainty or assurance of what may be the final amount of Sale Price which the Sellers may receive and/or the final amount of Consideration which the Sellers and Sellers Group may receive.

On the foregoing basis and assumptions, and for the purposes of illustration only, the pro forma financial effects of the Proposed Sale taken as a whole are set out below.

6.2 Share Capital

The Proposed Sale has no impact to the Company's issued share capital.

6.3 Net Tangible Assets ("NTA")

Assuming that the Proposed Sale was completed on 31 March 2018 and based on the Group's audited consolidated financial statements for FY2018, the pro forma financial effects of the Proposed Sale on the consolidated NTA of the Group are as follows:

	As at 31 March 2018		
	No. of issued shares	NTA of the Group (S\$'000)	NTA per share (S\$ cents)
Before the Proposal Disposal	907,971,182	50,474,319	5.56
After completion of the Proposed Sale	907,971,182	48,348,211	5.32

6.4 Earnings Per Share ("EPS")

Assuming that the Proposed Sale had been completed on 1 April 2017 and based on the Group's audited consolidated financial statements for FY2018, the pro forma financial effects of the Proposed Sale on the consolidated EPS of the Group are as follows:

	12 months ended 31 March 2018		
	Weighted average no. of share	Loss after tax of the Group (S\$'000)	EPS per share (S\$ cents)
Before the Proposal Disposal	901,105,809	10,701,227	(1.19)
After completion of the Proposed Sale	901,105,809	8,268,227	(0.92)

6.5 Gearing

The Proposed Sale will have no material impact on the gearing of the Group.

7. USE OF PROCEEDS

The estimated net proceeds from the Proposed Sale, based on the bases and assumptions as set out in Section 6 above, is S\$350,000 after taking into consideration professional fees ("**Net Proceeds**"). The Company intends to utilize the Net Proceeds for general working capital purposes as well as other business and/or other investment opportunities as and when they arise.

8. DIRECTORS' SERVICE CONTRACTS

As at the date of this Announcement, no person is proposed to be appointed as a director of the Company in connection with the Proposed Sale. Accordingly, no service contract is proposed to



TRITECH GROUP LIMITED

31 Changi South Avenue 2 Tritech Building Singapore 486478

(Company Registration No.: 200809330R)

be entered into between the Company and any such person.

9. SUBSEQUENT EVENTS AND FURTHER ANNOUNCEMENTS

The completion of the Proposed Sale is subject to, *inter alia*, the satisfaction of the Conditions Precedents and the Company will make announcement(s) as and when there are material developments in relation to the Conditions Precedents and/or Proposed Sale.

Shareholders should note that there is no certainty or assurance that the Proposed Sale will proceed to completion as completion is subject to, *inter alia*, the fulfillment of all the condition precedents as contained in the SPA. The Company will make the necessary announcement(s) as and when there are material developments in relation to the Conditions Precedents and/or the Proposed Sale.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

To the knowledge of the Company, none of the Company's directors or substantial shareholders or their associates has any interest, direct or indirect, in the Proposed Sale, other than through their respective shareholdings in the Company.

11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be available for inspection during the normal business hours at the Company's registered office at 31 Changi South Ave 2, Singapore 486478 for a period of three (3) months from the date of this announcement.

12. DIRECTORS' 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 Sale and the Directors 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 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.

13. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Sale as appropriate or when there are further material developments on the same.

14. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this Announcement that the Proposed Sale will proceed to completion, as the completion is subject to, *inter alia*, the completion of the Special Audit, and the fulfillment of all the Conditions Precedents in the SPA. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

BY ORDER OF THE BOARD



TRITECH GROUP LIMITED

31 Changi South Avenue 2 Trittech Building Singapore 486478

(Company Registration No.: 200809330R)

Dr Wang Xiaoning
Managing Director

16 May 2019

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") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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

The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).