



TRITECH GROUP LIMITED

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(Company Registration No.: 200809330R)

(Incorporated in Republic of Singapore)

(the "Company")

PROPOSED ISSUE AND ALLOTMENT OF NEW SHARES IN CONNECTION WITH THE CAPITALISATION OF SHAREHOLDER LOAN AND OUTSTANDING PURCHASE CONSIDERATION

1. INTRODUCTION

The Board of Directors (the "**Board**") of Trittech Group Limited (the "**Company**") wishes to announce that the Company had on 23 August 2016 entered into a subscription agreement ("**Subscription Agreement**") with Trittech International Holdings Pte. Ltd. (in voluntary liquidation) ("**TI**") for the issue and allotment of 87,302,496 new ordinary shares ("**Shares**") in the share capital of the Company ("**Subscription Shares**") to the Subscribers (as set out in section 3.2 below) at the issue price of S\$0.0661 per Subscription Share ("**Subscription Price**").

The proposed issue of Subscription Shares ("**Proposed Issue**") is for the purposes of capitalizing the Shareholder Loan (defined below) and Outstanding Purchase Consideration (defined below) ("**Proposed Capitalisation**").

The Proposed Capitalisation is subject to, *inter alia*, the approval of shareholders of the Company ("**Shareholders**") at an extraordinary general meeting to be convened ("**EGM**"), and the receipt of the notice from Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing of and quotation for the Subscription Shares.

2. PROPOSED CAPITALISATION

2.1. Shareholder Loan and Outstanding Purchase Consideration

TI had previously provided an unsecured, interest-free loan of S\$4,970,695 to the Company ("**Shareholder Loan**") which is repayable on demand. The Shareholder Loan has been used by the Company for working capital purposes.

There is also an amount of S\$800,000 due from the Company to TI for its acquisition of 54% of Geosoft Pte Ltd from TI in January 2016 (the "**Outstanding Purchase Consideration**"), which remains outstanding as at the date of this announcement. Please refer to the announcement of the Company dated 22 January 2016 for more information relating to the acquisition of 54% of Geosoft Pte Ltd by the Company.

2.2. Proposed Capitalisation

The Company has requested TI to, and TI has agreed to capitalise the entire amount of the Shareholder Loan and the Outstanding Purchase Consideration into the Subscription Shares at the Subscription Price as full and final settlement of the Shareholder Loan and the

Outstanding Purchase Consideration Shares, on the terms and subject to the conditions of the Subscription Agreement.

2.3. **Subscription Price**

The Subscription Price of S\$0.0661 for each Subscription Share is equal to the volume weighted average price of the Shares, as determined by reference to the daily official list published by the SGX-ST, for the five (5) trading days immediately preceding the date of the Subscription Agreement.

The Subscription Price and the terms of the Subscription Agreement were determined on a willing buyer willing seller basis.

2.4. **Subscription Shares to be issued to Subscribers**

As the liquidator of TI intends to make an interim capital distribution to the shareholders of TI to be satisfied by an in-specie distribution of the Subscription Shares (on a pro-rata basis according to their respective shareholding percentage in TI), TI has directed the Company to, and the Company agrees to issue and allot, the Subscription Shares to the Subscribers in the proportion as set out in the table in section 3.2 below.

2.5 The Subscription Shares will, upon allotment and issue, rank pari passu in all respects with the existing Shares, except that they will not be entitled to any dividends, rights, allotments or other distributions, the record date for which occurs on or before the date of issue of the Subscription Shares.

2.6 The Proposed Capitalisation and Proposed Issue is conditional upon the fulfilment or satisfaction of, *inter alia*:

- (i) the Shareholders' approval (as described in Section 4 below);
- (ii) the receipt of a listing and quotation notice from the SGX-ST for the dealing in and quotation for the Subscription Shares on Catalist ("LQN"), such notice or approval not being revoked, rescinded or cancelled prior to completion and, where such listing and quotation notice is obtained subject to any conditions or restrictions, such conditions or restrictions being reasonably acceptable to the TI and the Company; and
- (iii) the receipt of undertakings and confirmations from TI and/or the Subscribers that, *inter alia*, they are not and will not be generally acting in concert with any of the other Subscribers or the Director(s) and/or Shareholders, to acquire Shares to obtain or consolidate effective control of the Company, whether in relation to the Subscription Shares or otherwise.

2.7 The Company, through its sponsor, PrimePartners Corporate Finance Pte. Ltd., will be making an application to the SGX-ST for the listing and quotation of the Subscription Shares on the Catalist. The Company will make the necessary announcements once the LQN in respect of the Subscription Shares has been obtained.

3. **BACKGROUND OF TI AND SUBSCRIBERS**

3.1. Tritech International Holdings Pte Ltd

TI is a company incorporated in Singapore. TI, which used to be a controlling shareholder of the Company (which held an approximate 39.2% shareholding interest in the Company as at 8 June 2016), was placed in voluntary liquidation on 28 August 2015. Following an interim capital distribution by the liquidator of TI satisfied by an in-specie distribution, TI had on 9 June 2016 distributed, *inter alia*, Shares and warrants which it held in the Company to its shareholders, namely Dr Wang Xiaoning, Dr Cai Jungang, Dr Loh Chang Kaan, Lee Sui Hee, Adonis Investment Holdings Pte Ltd and Wang Hong (collectively, the “Subscribers” and each a “Subscriber”).

3.2. Subscribers

The background of the Subscribers (as provided to the Company by each of the respective Subscribers), the number of Subscription Shares and the shareholding percentages of the Subscribers in the Company before and after the Proposed Issue are set out below:

Name of Subscribers	Principal Business Activity/ Occupation	Number of Shares in the Company before the Proposed Issue ⁽³⁾	Number of Warrants in the Company before the Proposed Issue	Number of Subscription Shares	Shareholding percentage in the Company before the Proposed Issue ⁽⁴⁾	Shareholding percentage in the Company after the Proposed Issue ⁽⁵⁾
Dr Wang Xiaoning ⁽¹⁾	Managing Director of the Company	94,273,353	46,886,677	26,400,275	11.91%	13.24%
Dr Cai Jungang ⁽¹⁾	Executive Director of the Company	48,726,267	24,113,133	13,575,538	6.15%	6.83%
Dr Loh Chang Kaan	Chief Executive Officer and Director of Terratech Group Limited (a subsidiary of the Company)	32,650,845	16,075,422	9,053,269	4.12%	4.56%
Adonis Investment Holdings Pte Ltd ⁽¹⁾⁽²⁾ (“Adonis”)	Investment holding company	52,478,778	27,776,989	15,644,607	6.63%	7.58%
Mr Lee Sui Hee ⁽¹⁾	Businessman	53,624,741	26,812,371	15,085,871	6.77%	7.55%
Mdm Wang Hong	Businesswoman	26,792,370	13,396,185	7,542,936	3.38%	3.77%

Notes:

- (1) Dr Wang Xiaoning, Dr Cai Jungang, Adonis and Mr Lee Sui Hee are substantial shareholders of the Company.
- (2) The shareholders of Adonis are Wang Khee Pong (Businessman) and Lee Kim Moi (Businesswoman), each holding 50% of the shares in Adonis.
- (3) Based on information provided to the Company as at the date of this announcement.
- (4) Based on 791,865,686 issued and paid-up shares in the ordinary share capital of the Company as at the date of this announcement.
- (5) Based on 1,265,742,775 issued and paid-up shares in the ordinary share capital of the Company, assuming the completion of the Proposed Issue and full conversion of warrants.

The issuance of the Subscription Shares will not result in a transfer of a controlling interest in the Company.

4. SHAREHOLDERS APPROVAL

4.1. Chapter 8 of the Catalist Rules

Section 161 of the Companies Act and Rules 805, 806 and 824 of the Catalist Rules provide that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares and convertible securities, unless such shares are issued under a general mandate obtained from shareholders in general meeting.

The Company will not be relying on the general mandate obtained from Shareholders at the last annual general meeting held on 26 July 2016, but is seeking a specific approval of Shareholders for the Proposed Issue and Proposed Capitalisation, for purposes of Section 161 of the Companies Act and Rules 805, 806 and 824 of the Catalist Rules.

Rule 812 of the Catalist Rules provides that, unless otherwise approved by Shareholders, an issue of shares and convertible securities must not be placed to, *inter alia*, the issuer's directors and substantial shareholders.

As the Subscribers comprise Directors and substantial shareholders (as further detailed in Section 3 of this Announcement), the Company will be seeking the approval of Shareholders for the Proposed Issue and Proposed Capitalisation for the purposes of Rule 812 of the Catalist Rules.

4.2. Chapter 9 of the Catalist Rules

Rule 906 of the Listing Manual provides that an issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than, *inter alia*, five per cent (5%) of the Group's latest audited NTA.

The issue and allotment of Subscription Shares to some of the Subscribers (namely, Dr Wang Xiaoning and Dr Cai Jungang, being Directors of the Company) constitutes an "Interested Person Transaction" within the ambit of Chapter 9 of the Catalist Rules.

As the aggregate value of the Subscription Shares to Dr Wang Xiaoning and Dr Cai Jungang (being approximately S\$2,642,401) does not exceed five per cent (5%) of the Group's latest audited net tangible asset ("**NTA**") (being S\$62,720,462 as at 31 March 2016), the Company will not be required to seek the approval of Shareholders for the Proposed Issue and Proposed Capitalisation pursuant to Rule 906 of the Catalist Rules.

As at the date of this Announcement Date, save for the Proposed Capitalisation and Directors' fees and remuneration paid to Dr Wang Xiaoning and Dr Cai Jungang, there were no interested person transactions entered into by the Group with any of the Subscribers for the period from 1 April 2016 to the date of this Announcement and there were no interested person transactions involving the Group for the period from 1 April 2016 to the date of this announcement.

4.3. Interest on Shareholder Loan and Outstanding Purchase Consideration

In the event there is no completion of the Proposed Capitalisation due to, *inter alia*, the Proposed Issue not being approved by shareholders at the EGM, the Shareholder Loan and the Outstanding Purchase Consideration shall remain as amounts due and owing by the Company to TI (or, pursuant to any distribution of such amounts by the liquidator of TI to the Subscribers, to the Subscribers, each in the relevant proportion), repayable on such date or dates to be mutually agreed between the Company and TI or the Subscribers (as the case may be), and TI reserves the right to charge interest on the Shareholder Loan and the Outstanding Purchase Consideration, commencing from the date of the EGM, at such rate per annum to be mutually agreed between the Company and TI or the Subscribers (as the case may be). The AC will under such circumstance review and ensure that such transactions are entered on an arm's length basis, on normal commercial terms and are not prejudicial to the Company and its minority shareholders.

5. RATIONALE FOR THE PROPOSED ISSUE AND PROPOSED CAPITALISATION

Further to a review of the Group's financial position, the Company has requested TI to capitalise the entire amount of the Shareholder Loan and the Outstanding Purchase Consideration in order to strengthen the balance sheet of the Company.

While the Proposed Issue will not result in any new cash proceeds for the Company, the Proposed Issue and Proposed Capitalisation will enable the Group to preserve its cash position and working capital.

6. USE OF PROCEEDS

As provided under Section 5 of this announcement, the purpose of the Proposed Issue is to capitalise the Shareholder Loan and the Outstanding Purchase Consideration. There will be no fresh cash injected or paid to the Company in respect of Proposed Issue.

Notwithstanding the above, the Directors are of the opinion that after taking into consideration the present banking facilities of the Group, the working capital available to the Group is sufficient to meet the Group's present requirements.

7. FINANCIAL EFFECTS OF THE PROPOSED ISSUE AND PROPOSED CAPITALISATION

7.1. Assumptions

For illustrative purposes only, based on the latest audited full year results of the Company as at 31 March 2016, the *pro forma* financial effects of the Proposed Issue and Proposed Capitalisation are calculated based on the following assumptions:

- (a) for the purpose of computing the loss per share ("LPS") of the Group after the completion of the Proposed Issue and Proposed Capitalisation, it is assumed that the Proposed Issue and Proposed Capitalisation were completed concurrently on 1 April 2015;

- (b) for the purpose of computing the net tangible assets (“NTA”) and gearing of the Group, it is assumed that the Proposed Issue and Proposed Capitalisation were completed concurrently on 31 March 2016; and
- (c) a total of 87,302,496 Subscription Shares to be issued pursuant to the Proposed Issue and Proposed Capitalisation.

7.2. Share Capital

Share Capital	Number of Issued Shares	Issued Share Capital
Before the Proposed Issue	791,865,686	S\$69,755,147.07
After the Proposed Issue	879,168,182	S\$75,525,842.07

7.3. Loss per Share

Loss per Share	Loss after Tax (S\$'000)	Number of Issued Shares	S\$ cents
Before the Proposed Issue	(16,708)	791,865,686	(2.11)
After the Proposed Issue	(16,708)	879,168,182	(1.90)

7.4. Net Tangible Assets

NTA	NTA (S\$'000)	Number of Issued Shares	S\$ cents
Before the Proposed Issue	62,720	791,865,686	7.92
After the Proposed Issue	62,720	879,168,182	7.13

7.5. Gearing

Gearing	Total borrowings (S\$'000)	Shareholders' Funds	Gearing
Before the Proposed Issue	39,048	74,606,399	52.34%
After the Proposed Issue	33,277	80,377,094	41.40%

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The liquidator of TI is Mr Aw Eng Hai, who is also an Independent Director of the Company. Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Issue and Proposed Capitalisation. Dr Wang Xiaoning, Dr Cai Jungang and Mr. Aw Eng Hai will abstain from voting on the ordinary resolutions relating to the Proposed Issue and Proposed Capitalisation.

9. 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 Capitalisation and Proposed Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the 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 the announcement in its proper form and context.

Shareholders are advised to exercise caution in trading their Shares. The completion of the Proposed Issue and Proposed Capitalisation is subject to numerous conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Issue and Proposed Capitalisation will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Issue and Proposed Capitalisation. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Dr Wang Xiaoning
Managing Director

23 August 2016

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 Catalyst. 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, Senior Manager, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.