



# TRITECH GROUP LIMITED

(Company Registration No.: 200809330R)

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## FRAMEWORK AGREEMENT IN RELATION TO THE EXCLUSIVE RIGHT TO DESIGN, BUILD AND OPERATE WATER RECYCLING PLANTS IN JIAONAN ECONOMIC DEVELOPMENT ZONE FOR 30 YEARS

### 1. INTRODUCTION

The Board of Directors of Trittech Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 28 July 2014 entered into a framework agreement (the "**Agreement**") with Jiaonan Economic Development Zone Governing Committee (胶南经济开发区管理委员会) ("**Jiaonan Economic Development Committee**") relating to the exclusive right to design, build and operate water recycling plants within the Jiaonan Economic Development Zone (胶南经济开发区). The exclusive right is for an initial period of 30 years.

Jiaonan Economic Development Zone was set up in December 1992. It is located in Jiaonan City in Qingdao. Until 2010, Jiaonan Economic Development Zone has attracted investments from more than 1,750 companies focusing on tourism, research and development, food manufacturing, pharmaceuticals, marine and new materials technology.

### 2. PRINCIPAL TERMS OF THE FRAMEWORK AGREEMENT

The principal terms of the Agreement are set out below:-

- 2.1 **Investment amount.** The total investment to design, build and operate water recycling plants is expected to reach an amount of USD200 million (approximately SGD248 million). The amount to be invested will be in stages in accordance with the demand for recycled water and the development of water recycling plants.
- 2.2 **Exclusive rights.** The Company is to set up a special purpose subsidiary in Jiaonan Economic Development Zone which will be granted exclusive rights to design, build and operate the water recycling plants within Jiaonan Economic Development Zone for an initial period of 30 years. All discharge from waste water treatment plants within the Jiaonan Economic Development Zone is to be provided exclusively to the Company for recycling at its water recycling plants.
- 2.3 **Recycling of energy.** The special purpose subsidiary is encouraged to use the resulting energy generated from the treatment of water to supply energy for industrial and residential users.
- 2.4 **Usage of land.** The location, usage and size of the lands to be provided for the building of the water recycling plants will be fixed after discussions between the Company and Jiaonan Economic Development Committee.
- 2.5 **Recycled water policy.** Jiaonan Economic Development Committee will establish appropriate governmental policy to promote the use of recycled water by industries located in the Jiaonan Economic Development Zone.
- 2.6 **Technical knowledge.** The Company's subsidiary, Trittech (Qingdao) Membrane Industry Co., Ltd is responsible for providing all technical requirements, membrane-related products and the construction of the water recycling plants.



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2.7 **Feasibility studies.** The Company may proceed with carrying out feasibility studies, preliminary design and preparatory work and Jiaonan Economic Development Committee will provide the necessary assistance to facilitate such feasibility studies, preliminary design and preparatory work including providing all required information.

## 3. RATIONALE FOR THE AGREEMENT

The Directors are of the view that the Agreement will allow the Group to have exclusive rights to utilize its technological expertise in the recycling of water using the membranes and membrane-related products manufactured in its factory located in Jiaonan, Qingdao. The Agreement will also allow the Group to tap on the expected increase in demand for recycled water by industrial and residential customers in Jiaonan, Qingdao. With 30-years of exclusive rights to design, build and operate water recycling plants in the Jiaonan Economic Development Zone, the Group will be able to grow its water-related business positively going forward.

## 4. FUNDING FOR THE INVESTMENT

The Group intends to fund the investment progressively through its internal resources as well as with the convertible loan that the Company intends to obtain from various investors and/or loans and/or investments from third parties or a combination of these (as applicable). Details of the entry by the Company into a term sheet for a convertible loan are set out in the Company's announcements dated 15 April 2014 and 13 June 2014.

The Board wishes to emphasise that there is no certainty or assurance that any definitive agreement(s) will be entered into in connection with the convertible loan or related matters and there is no assurance that such funding arrangements will materialise. The Company will make further announcement(s) as and when there are material developments on these matters. **Shareholders or potential shareholders are advised to read any further announcements by the Company carefully and to consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.**

## 5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any direct or indirect interest in the Agreement or the convertible loan, other than through their respective shareholdings in the Company.

## 6. FINANCIAL EFFECTS

As the Company is to carry out feasibility studies during the initial stage, the Agreement is not expected to have a material effect on the earnings and net tangible asset per share of the Company and the Group for the financial year ending 31 March 2015.



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## 7. 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 Agreement, 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 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.

BY ORDER OF THE BOARD

Wang Xiaoning  
Managing Director

29 July 2014

*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 relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and 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 Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.*