

**TRITECH GROUP LIMITED**  
(Company Registration No. 200809330R)  
(Incorporated in the Republic of Singapore)

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**INCREASE IN EQUITY INTEREST IN TRITECH ENVIRONMENTAL GROUP CO. LTD. PURSUANT TO THE TEG CAPITAL INCREASE**

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**1. INTRODUCTION**

The Board of Directors (“**Board**”) of Trittech Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has increased its equity interest in Trittech Environmental Group Co Ltd (“**Trittech Environmental**” or “**TEG**”), an existing associated company of the Company, from 40% to 46.86% pursuant to its contribution to an increase in the registered capital of Trittech Environmental under the TEG Capital Increase in the manner as further elaborated in Section 2.1 below.

**2. TEG CAPITAL INCREASE**

**2.1. TEG Capital Increase**

Trittech Environmental has an existing registered capital of RMB214,698,753 which was, prior to the TEG Capital Increase, held in the proportion of 40%: 40%:20% by the Company, Qingdao Ocean Group Finance Holdings Co Ltd (青岛海控集团金融控股有限公司) and Rongtai Construction Group Co Ltd (荣泰建设集团有限公司) respectively, pursuant to a partial disposal of shares in Trittech Environmental by the Company to the latter two parties in 2019, further details of which are set out in the announcements dated 2 September 2019 and 26 July 2019 in relation to the partial disposal of shares in Trittech Environmental (“**Earlier Investor Participation**”).

Pursuant to shareholders’ resolutions passed on 8 July 2021, the shareholders of Trittech Environmental have agreed for the Company to increase its equity interest in Trittech Environmental from 40% to 46.86% in consideration of the Company contributing to an increase in the registered capital of Trittech Environmental by an amount of RMB27,693,747 by way of:

- (a) capitalising loans of RMB10,000,000 made by the Company to Trittech Environmental; and
- (b) assigning certain intellectual property rights owned by the Company (including a patent filed in the PRC) to Trittech Environmental which the parties have agreed to value at RMB17,693,747 for purposes of the acquisition by Trittech Environmental,

(“**TEG Capital Increase**”).

The net asset value of Trittech Environmental as at 31 March 2021 was RMB 41,270,658.

**2.2. Trittech Environmental**

Trittech Environmental is a company registered in Qingdao, the People’s Republic of China, principally engaged in the provision of water treatment and environmental protection services, broadly divided into four categories namely, (i) manufacturing and supply of municipal and industrial wastewater treatment membrane products, (ii) provision of one-stop product-technology-design-build-operation maintenance services for water treatment and seawater desalination plants, (iii) manufacturing and supply of water-related health care products such as bottled alkaline drinking water and dispensers, alkaline cleaning water & equipment, and (iv) provision of real-time water quality and environmental monitoring services (“**TEG Business**”).

Trittech Environmental used to be a wholly owned subsidiary of the Company prior to the Earlier Investor Participation and continues to engage in the Group’s water and environmental protection business as an associated company.

The TEG Capital Increase represents an acquisition of asset by way of an increase in equity interest in an existing associated company. The Company has, as a matter of prudence, applied the relevant requirements of Chapter 10 of the Catalyst Rules to the TEG Capital Increase.

### 2.3. Relative Figures for the TEG Capital Increase Computed on the Bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited (“Catalyst Rules”)

The relative figures computed on the relevant bases set out in Rule 1006 of the Catalyst Rules in respect of the TEG Capital Increase and based on the latest audited financial statements of the Group for the financial year ended 31 March 2021 (“FY2021”) 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.	Not applicable as the transaction is not an acquisition
(b)	The net loss attributable to the assets acquired, compared with the group's net loss.	7.54 <sup>(1)</sup>
(c)	The aggregate value of the consideration given, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	34.52 <sup>(2)</sup>
(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 no equity securities were issued by the Company.
(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 Singapore dollar equivalent of the Group's 6.86% increased share of the net loss of Tritech Environmental for FY2021 of RMB 1,735,555 of approximately S\$349,888 (based on an exchange rate of RMB 0.2016: S\$1.00 as at 31 March 2021)<sup>1</sup> and the net loss of the Group for FY2021 of S\$4,638,536.
- (2) Based on the Singapore dollar equivalent of the TEG Capital Increase amount of RMB27,693,747 of approximately S\$5,779,685 (based on an exchange rate of RMB0.2087: S\$1.00 as at 12 July 2021)<sup>1</sup>, and the market capitalisation of approximately S\$16,742,751 as at 12 July 2021. The market capitalisation was computed based on the Company's existing share capital of 984,867,731 issued shares (excluding treasury shares) and the volume weighted average price of S\$0.017 per share on 9 July 2021 (being the last market day on which the Company's shares were traded preceding 12 July 2021, the date on which regulatory approval was obtained for the TEG Capital Increase).

<sup>1</sup> based on exchange rate of monthly average rate and daily rate as published on [www.oanda.com](http://www.oanda.com)

As the relative figures computed based on Rule 1006 of the Catalist Rules involve negative figures and the TEG Capital Increase falls within Paragraph 4.4(a) of Practice Note 10A, based on the above figures and the foregoing, the TEG Capital Increase constitutes a “discloseable transaction” under Rule 1010 of the Catalist Rules.

## 2.4. Rationale of the TEG Capital Increase

The TEG Capital Increase represents a timely opportunity for the Company to increase its equity interest in Trittech Environmental.

The terms of the TEG Capital Increase was arrived at on a willing buyer willing seller basis after arm's length negotiations and taking into consideration, *inter alia*, that it allows the Company to increase its equity interest in Trittech Environmental without additional cash outlay. While the Company is supposed to contribute an amount of RMB27,693,747 to acquire the additional 6.86% equity interest, a substantial part of this amount (RMB17,693,747) comes from the monetary value being ascribed to the intellectual property rights assigned or to be assigned by the Company to Trittech Environmental, which is currently not ascribed with any monetary value in the financial statements of the Company, while the balance comes from the conversion of existing outstanding loan amounts owing by Trittech Environmental to the Company to equity.

Following the TEG Capital Increase, the Company will become the single largest shareholder of Trittech Environmental and the equity interest of the two remaining shareholders of Trittech Environmental, namely Qingdao Ocean Group Finance Holdings Co Ltd (青岛海控集团金融控股有限公司) and Rongtai Construction Group Co Ltd (荣泰建设集团有限公司) will be diluted to 35.43% and 17.71% respectively. The Company will accordingly have more influence over the direction and strategy of Trittech Environmental's business.

The Directors are of the view that the TEG Business carries prospects for growth which may lead to a turnaround of its historical loss-making financial performance and accordingly participation in the TEG Capital Increase offers the company the opportunity to participate in such growth and turnaround should it materialize.

As illustrated in Section 3 below, there will be no impact on the Share Capital, NTA and gearing of the Company arising from the TEG Capital Increase. However, following the increase of the Company's equity interest from 40% to 46.86%, the Company will have a greater share of profit or loss (as the case may be) arising from Trittech Environmental's financial performance, the impact of which would depend, *inter alia*, on the actual performance (whether positive or negative, and the quantum thereof) of Trittech Environmental.

For the reasons above, the Directors are of the view that the TEG Capital Increase is beneficial to the Group notwithstanding the Group's contribution for the TEG Capital Increase is above 6.86% of the net asset value of TEG as at 31 March 2021 and above the valuation ascribed to TEG for the Earlier Investor Participation.

## 3. FINANCIAL EFFECTS OF THE TEG CAPITAL INCREASE

For illustrative purposes only, the financial effects of the TEG Capital Increase on the Group are set out below (“**Financial Effects**”). The Financial Effects do not necessarily reflect the exact future financial position and performance of the Group immediately after completion of the TEG Capital Increase. No representation is made as to the actual financial position and/or results of the Company following the TEG Capital Increase. In accordance with Rule 1010 of the Catalist Rules, the Financial Effects have been calculated using the audited consolidated financial statements of the Group for the financial year ended 31 March 2021.

### **3.1. Share Capital**

There will be no changes to the share capital of the Company in connection with the TEG Capital Increase.

### **3.2. Net Tangible Assets (“NTA”)**

Assuming that the TEG Capital Increase was completed on 31 March 2021 and based on the Group’s audited consolidated financial statements for FY2021, there will be no change to the Company NTA per Share in connection with the TEG Capital Increase.

### **3.3. Loss Per Share (“LPS”)**

Assuming that the TEG Capital Increase was completed on 1 April 2020 and based on the Group’s audited consolidated financial statements for FY2021, the pro forma financial effects of the TEG Capital Increase on the consolidated LPS of the Group are as follows:

	<b>Weighted average no. of shares</b>	<b>Loss after tax of the Group (S\$)</b>	<b>LPS (S\$ cents)</b>
Before the TEG Capital Increase	960,703,347	4,597,496	0.48
After completion of the TEG Capital Increase	960,703,347	4,947,384	0.51

### **3.4. Gearing**

There will be no change to the Company’s gearing in connection with the TEG Capital Increase.

## **4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

To the best knowledge of the Company, none of the Directors or controlling Shareholder(s) or their associates has any interest, direct or indirect, in the TEG Capital Increase, other than through their respective shareholdings in the Company.

## **5. SERVICE CONTRACTS**

As at the date of this announcement, there is no intention to appoint any new Directors to the Board of the Company in connection with the TEG Capital Increase.

## **6. DIRECTOR’S 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 TEG Capital Increase and the Group, 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.

## 7. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the TEG Capital Increase as appropriate or when there are further material developments on the same.

### BY ORDER OF THE BOARD

Dr Wang Xiaoning  
Managing Director  
23 July 2021

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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