



ASX ANNOUNCEMENT

TTG issues RMB6 million unsecured convertible bonds to related parties

8 August 2016 (ASX: TUP)

TTG Fintech Limited (**TTG**) today announces that it will issue RMB6 million (approximately A\$1,178,760.00) 1-year zero-coupon unsecured convertible bonds (**CB**), to three related parties who are directors and major shareholders of TTG.

The convertibility mechanism in the CB is subject to shareholder approval in accordance with ASX Listing Rule 10.11 and the Hong Kong Companies Ordinance at the forthcoming annual general meeting which is expected to be held on or about 9 September 2016 (**Shareholder Approval**). In the event Shareholder Approval is not forthcoming, the CB will be non-convertible and will be a debt repayable by TTG at the end of the 1 year term.

Details of the CB are as follows:

- RMB 2 million to be subscribed by Mr. Qiang XIONG, Executive Director, Chairman and CEO. As at the date of this Announcement, Mr XIONG (together with his associates) has a relevant interest in 35.00% of the total issued share capital of TTG.;
- RMB 2 million to be subscribed by Mr. Ki Shui Louie CHOW, Executive Director, Deputy Chairman and Deputy CEO. As at the date of this Announcement, Mr CHOW (together with his associates) has a relevant interest in 20.84% of the total issued share capital of TTG.
- RMB 2 million to be subscribed by Mr. Wen Sheng CAI, Non-executive Director. As at the date of this Announcement, Mr CAI (together with his associates) has a relevant interest in 12.02% of the total issued share capital of TTG.

The RMB 6 million proceeds from the CB will be received by TTG on or before 12 August 2016 and is to be used as working capital of TTG.

Subject to Shareholder Approval, the convertible bonds are convertible (at the election of the investors) into fully paid ordinary shares of TTG on identical terms as its ordinary shares on issue at a conversion price of A\$0.25 per ordinary share.

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In the event Shareholder Approval is forthcoming and the CBs are fully converted into ordinary shares, TTG will issue approximately 4,715,040 ordinary shares (equivalent to 0.1% of the ordinary shares on issue as at the date of this Announcement). Such issue will fall within TTG's 15% placement capacity in accordance with ASX Listing Rule 7.1.

The conversion price of A\$0.25 represents a premium of 203.03% to TTG's VWAP for the 5 days period to 5 August 2016.

Conversion by CB holders is not expected to trigger the mandatory takeover provisions under the Hong Kong Takeover Codes.

“The issue of the convertible bonds at a premium to major shareholders and directors reflects confidence in the Company and assists TTG's short term funding requirements in expediting it's FEA and Tlinx technologies rollout.” TTG's Chairman Mr Xiong said today.

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About TTG

TTG operates within the software and information services industry in the People's Republic of China. The main business of the consolidated entity derives its income from its self-developed technologies called Financial Electronic Authentication ("FEA") which provides the solution for clearing and settlement for multi parties, and "Tlinx", a smart cloud-supported point of sales ("POS") system.

By combining bank-card and non-bank-card bank accounts, this FEA technology allows clearing and settlement of digital currencies and payment of commissions. With the use of FEA technology, currency is not just a medium and consideration of exchange, but also a means of communication, sharing, analysis, transmission, promotion, data sourcing and labelling, and targeted marketing. FEA technology is now used in TTG's Tlinx systems, ULPOS platform, and is being extended to other applications.

Tlinx can be applied to different types of POS, both traditional and smart. Tlinx accommodates varying payment methodologies (e.g. cash, bank card, debit card, QR code, NFC, mobile payment, payment by royalty points, etc.) to be transacted on one hardware portal. Commercial banks, merchants, POS acquirers, traditional POS manufacturers, Management Information System (MIS) manufacturers, electronic tax invoice system providers, retail chains and other private companies all benefit from the use of our Tlinx.

Tlinx allows for data transmission and supports risk analysis of bank loan financing for commercial banks and financiers, MIS functions and financial planning for merchants, as well as numerous CRM functions (e.g. promotion of merchants, coupon, transaction data management, customer loyalty data analysis and management, etc) for diverse industries such as beverage, retail chain stores and B2C e-commerce.

In addition, our technology can serve to upgrade the traditional POS to the intelligent POS so that the clients with existing traditional POS facilities can enjoy the above value added services.

TTG is entitled to a percentage of fees generated on the ULPOS platform and other transactions that employ the FEA and Tlinx.

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For further information visit www.ttg.hk or contact Mr Gary Kwok, Company Secretary, TTG Fintech Limited +61 2 9276 2000.

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