



CITICODE LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number 200404283C)

INCORPORATION OF A WHOLLY-OWNED SUBSIDIARY AND THE ENTRY INTO A JOINT VENTURE AGREEMENT

The Board of Directors (the “**Board**”) of Citicode Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following:

1. INCORPORATION OF SUBSIDIARY

The Company has on 16 May 2019 incorporated a new wholly-owned subsidiary in Singapore (the “**New Subsidiary**”). Details of the New Subsidiary are as follows:

Name of Company	:	Citicode Corporation Pte. Ltd. (“ Citicode Corporation ”)
Place of Incorporation	:	Singapore
Issued and paid-up share capital	:	S\$1,000
Percentage of shareholding	:	The Company holds 100% of the shareholding interest in Citicode Corporation
Principal activities	:	Other Holding Companies

The incorporation of Citicode Corporation is funded through internal resources and is not expected to have a material impact on the Company’s earnings per share and net tangible assets per share for the current financial year ending 31 December 2019.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the incorporation of Citicode Corporation other than through their shareholdings in the Company (if any).

2. ENTRY INTO A JOINT VENTURE AGREEMENT

2.1 Introduction

The Company has, through its wholly-owned subsidiary, Citicode Corporation, entered into a binding joint venture agreement (“**JVA**”) with Snap Innovations Pte. Ltd. (“**Snap Innovations**”, together with Citicode Corporation, the “**Parties**”), an independent third party, on 16 May 2019. Pursuant to the JVA, Citicode Corporation and Snap Innovations have agreed to incorporate a new equally-owned joint venture company (i.e. each Party shall own 50% of the shareholding interest of the JV Company) incorporated under the laws of Singapore (“**JV Company**”), tentatively to be named “**Citicode-SNAP AI Pte. Ltd.**”.

2.2 Information on SNAP Innovations

SNAP Innovations is an independent third party and is not related to the Company or any of the Company's directors or controlling shareholders or their associates.

Founded in 2011 by Dr. Ting Sheng Ping ("**Dr. Ting**"), SNAP Innovations is a technology company focusing on the area of Artificial Intelligence ("**AI**"), blockchain architectural design (including its commercial integration) and financial technology solutions, as powered by machine learning and deep learning algorithms that the platform of which can be extended and rolled out for smart city applications and other such related IoT applications. The existing clients of SNAP Innovations are mainly international banks, international exchanges, software development companies, technology consultancy firms and government agencies.

Dr. Ting has further intensified his research & development efforts in the area of AI for implementation of such machine learning and deep learning capabilities for various industries. He had also published several articles in relation to topics covering time-critical and autonomous decision-making process. Dr. Ting holds a Ph.D, Master and Bachelor in Computing Engineering from Nanyang Technological University of Singapore. Prior to founding SNAP Innovations, Dr. Ting worked as, among others, a Software Engineer for Defence Science and Technology Agency (DSTA) of Singapore and Nyenburgh Holding.

2.3 Salient Terms of the JVA

Pursuant to the JVA, it is intended that

- (a) the initial issued and paid-up share capital of the JV Company shall be S\$1,000 divided into 1,000 ordinary shares, with the subscription amount to be paid in cash by the Parties in equal proportion. Subject to mutual agreement between Citicode Corporation and Snap Innovations, the issued and paid-up capital of the JV Company may progressively be increased to S\$100,000;
- (b) the Board of Directors of the JV Company shall comprise of 6 directors, with 3 directors each to be nominated by Citicode Corporation and Snap Innovations respectively. The initial directors for the JV Company shall be:

Mr. Teh Wing Kwan	Executive Chairman and CEO of Citicode Ltd.
Dr. Ting Sheng Ping	CEO and founder of SNAP Innovations
- (c) the principal activities of the JV Company shall be the development and implementation of machine learning and deep learning bots in the area of artificial intelligence for internet-of-things ("**IoT**") applications, supporting smart city applications and smart facilities management (the "**Business**");
- (d) the Parties shall fully collaborate to leverage, share and complement with each other, the advantages of their own network, capital, know-how, and products and services in relation to the JV Company undertaking the Business, and acknowledge that the JV Company will from time to time be engaged in certain specific projects in relation to the Business ("**Project**") that the Parties shall discuss the specific commercial terms with respect to each Project;

2.4 Rationale for the JVA

As previously announced, the Company has been evaluating various acquisition targets, exploring joint venture opportunities and having strategic collaboration discussions on the implementation of its business strategies with an objective of building up a commercial eco-system in supporting smart facilities management and smart city applications.

One of the key areas of expertise required in supporting smart city application is the capability to develop algorithms for machine learning and deep learning in the field of artificial intelligence. As such, the formation of the JV Company will allow the Company to form a technology alliance with SNAP Innovations for these growth initiatives given (i) the business network and capital market platform of the Company; and (ii) the technological expertise of SNAP Innovations in the area of artificial intelligence.

3. FINANCIAL EFFECTS

The incorporation of the JV Company will be funded by internal resources and is not expected to have any material impact on the earnings per share or net tangible assets per share of the Company for the financial year ending 31 December 2019. It is also intended that the JV Company be a platform for which additional funds may be raised from other sophisticated and accredited investors for its working capital.

4. NON-DISCLOSEABLE TRANSACTION

All relative figures of the abovementioned joint venture computed pursuant to Rule 1006 of the SGX-ST Listing Manual, based on the Company's audited consolidated results for the financial year ended 31 December 2018, is less than 5% and accordingly, the abovementioned joint venture constitutes a non-disclosable transaction under Chapter 10 of the SGX-ST Listing Manual.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transactions other than through their respective shareholdings in the Company (if any).

6. FURTHER ANNOUNCEMENTS

The Company will make the relevant update announcements in compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited and to update shareholders of the Company when there are developments on this matter, in particular, upon incorporation of the JV Company, any fund-raising structures and procurement of potential projects for the Business, if any.

BY ORDER OF THE BOARD

Teh Wing Kwan
Executive Chairman and Chief Executive Officer
16 May 2019