

TERRATECH GROUP LIMITED
Company Registration No. CT-276295
(Incorporated in the Cayman Islands)
(the “**Company**”)

VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE PRELIMINARY UNAUDITED FULL-YEAR RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

The board of directors (the “**Board**”) of Terratech Group Limited (the “**Company**”) refers to its preliminary unaudited full year results announcement for the financial year ended 31 March 2015 (“**FY2015**”) (the “**Unaudited Results**”) released via SGXNET on 29 May 2015 (the “**Announcement**”).

In accordance with Rule 704(5) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist, the Board wishes to announce and clarify the material differences between the audited financial results for FY2015 (“**Audited Results**”) and the Unaudited Results of the Group. Details and explanations of the variances pursuant to Rule 704(6) of the Listing Manual of the SGX-ST are set out below:

FY 2015

1. Consolidated statement of profit or loss

FY2015	Audited (S\$'000)	Unaudited (S\$'000)	Variance (S\$'000)	Note
Revenue	4,415	4,415	-	
Cost of sales	<u>(4,757)</u>	<u>(4,741)</u>	(16)	NM
Gross loss	(342)	(326)	(16)	
Other income and gains, net	100	243	(143)	1.1
Selling and distribution expenses	(177)	(177)	-	
General and administrative expenses	(6,503)	(6,630)	127	1.1
Other expenses, net	(4,686)	(3,194)	(1,492)	1.2
Finance costs	<u>(713)</u>	<u>(714)</u>	1	NM
Loss before tax	(12,321)	(10,798)	(1,523)	
Income tax expenses	-	-	-	
Loss for the year	<u>(12,321)</u>	<u>(10,798)</u>	(1,523)	

NM: Not considered material adjustments

1.1 The variance is mainly due to the reclassification of foreign exchange gain from other income and gains, and netting off against the foreign exchange loss under general and administrative expenses.

1.2 The variance of S\$1,492,000 (“**Inventory Write-Down**”) subsequent to the Announcement is mainly due to the re-alignment of inventory method assessment to be consistent with prior financial year by the management.

2. Consolidated statement of financial position

FY2015	Audited (S\$'000)	Unaudited (S\$'000)	Variances (S\$'000)	Note
Non-current assets	7,996	7,967	29	NM
Current assets	9,306	8,427	879	2.1
Current liabilities	(2,510)	(2,293)	(217)	2.2
Non-current liabilities	(184)	(184)	-	
Equity	14,608	13,917	691	

NM: Not considered material adjustments

2.1 The variance of approximately S\$879,000 is mainly due to the reversal of inventories write-down of approximately S\$2,554,000 in financial year ended 31 March 2014 for reason stated in Note 1.2, which is offset by the Inventory Write-Down and the reclassification of value added tax ("**VAT**") receivables of approximately S\$103,000 to offset against the VAT payables under the current liabilities.

2.2 The variance of approximately S\$217,000 is mainly due to the additional VAT payables of approximately S\$320,000 subsequent to the Announcement, which is offset against the reclassification of VAT receivables of S\$103,000 as detailed in Note 2.1.

3. Consolidated statement of cash flows

FY2015	Audited (S\$'000)	Unaudited (S\$'000)	Variances (S\$'000)	Note
Net cash flows used in operating activities	(4,764)	(4,796)	32	NM
Net cash flows used in investing activities	(2,709)	(2,709)	-	
Net cash flows from financing activities	7,757	7,844	(87)	NM
Cash and cash equivalents as at financial year end	2,888	2,888	-	

NM: Not considered material adjustments

By Order of the Board
Dr Loh Chang Kaan
Executive Director and Chief Executive Officer
15 July 2015

Terratech Group Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 30 July 2014. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor" or "PPCF").

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 Catalist. 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 Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.