



TRITECH GROUP LIMITED

(Company Registration No: 200809330R)

(Incorporated in the Republic of Singapore on 13 May 2008)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 SEPTEMBER 2014

This announcement has been prepared by Trittech Group Limited (the “Company”) and its contents have been reviewed by 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.

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PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group					
	Second quarter ended 30 September			Half year ended 30 September		
	2014	2013	Change	2014	2013	Change
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	15,677	13,321	17.7	30,608	25,127	21.8
Cost of sales	(12,686)	(10,266)	23.6	(23,377)	(19,566)	19.5
Gross profit	2,991	3,055	(2.1)	7,231	5,561	30.0
Other items of income						
Interest income	4	1	300.0	7	3	133.3
Other income	8,919	2,394	272.6	9,220	2,848	223.6
	8,923	2,395	272.6	9,227	2,851	223.6
Other items of expenses						
Distribution expenses	(417)	(198)	110.6	(769)	(362)	112.4
Administrative expenses	(6,526)	(3,077)	112.1	(19,938) ⁽¹⁾	(5,803)	243.5
Other expenses	(1,800)	(1,816)	(0.9)	(4,076)	(3,494)	16.7
Finance costs	(239)	(566)	(57.8)	(778)	(877)	(11.3)
Profit/(loss) before income tax	2,932	(207)	n.m.	(9,103)	(2,124)	328.5
Income tax (expenses)/refund	(351)	225	(256)	(436)	225	(293.8)
Profit/(loss) after income tax	2,581	18	142.4	(9,539)	(1,899)	402.2
Other comprehensive income:						
Exchange differences on translating foreign operations, net of tax	1,640	628	161.1	929	628	47.8
Total comprehensive income for the financial period	4,221	646	533.4	(8,610)	(1,271)	577.4
Profit/(loss) attributable to:						
Owners of the parent	2,761	18	n.m.	(9,359)	(1,899)	392.8
Non-controlling interest	(180)	-	n.m.	(180)	-	n.m.
	2,581	18	n.m.	(9,539)	(1,899)	392.8
Total comprehensive income attributable to:						
Owners of the parent	3,861	646	497.7	(8,970)	(1,271)	605.7
Non-controlling interest	360	-	-	360	-	-
	4,221	646	533.4	(8,610)	(1,271)	577.4

(1) include non-cash one-off expenses arising from transfer of part of the Company's shares in Terratech Group Limited to Successive Investments Limited and Crescent Worldwide Investment Ltd at fair value of \$9.9 million in consideration of certain services provided by Successive Investments Limited and Crescent Worldwide Investment Ltd, which was not previously recognized in the first quarter results ended 30 June 2014.

n.m. not meaningful

Profit/(Loss) before income tax of the Group is arrived at after (charging)/crediting:

	Group					
	Second quarter ended 30 September			Half year ended 30 September		
	2014	2013	Change	2014	2013	Change
	(Unaudited) \$'000	(Unaudited) \$'000	%	(Unaudited) \$'000	(Unaudited) \$'000	%
Other income						
Gain on conversion of convertible bonds	8,799	-	n.m.	8,799	-	n.m.
Gain on disposal of property, plant and equipment	-	-	-	52	-	n.m.
Gain on bargain purchase of acquisition of a subsidiary	-	1,940	n.m.	-	1,940	n.m.
Rental income	31	99	(68.7)	102	218	(53.2)
Sundry income	89	359	(75.2)	267	690	(61.3)
Cost of sales, distribution, administrative and other expenses						
Depreciation of property, plant and equipment	(1,030)	(851)	21	(2,130)	(1,773)	20.1
Operating lease expense	(218)	(210)	(3.8)	(597)	(549)	8.7
Interest expense	(239)	(558)	(57.2)	(778)	(829)	(6.2)
Amortisation of land use right	(43)	(14)	214.3	(87)	(28)	210.7
Amortisation of intangible assets	(123)	31	n.m.	(246)	(53)	n.m.
Amortisation of mining rights	(123)	(123)	-	(246)	(246)	-
Loss on disposal of property, plant and equipment	-	(46)	n.m.	-	(43)	n.m.

n.m. not meaningful

1(b)(i) A statement of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 30/09/2014 (Unaudited) \$'000	As at 31/3/2014 (Audited) \$'000	As at 30/09/2014 (Unaudited) \$'000	As at 31/03/2014 (Audited) \$'000
Non-current assets				
Property, plant and equipment	55,390	52,762	1,114	1,127
Investments in subsidiaries	-	-	72,337	63,345
Land use right	8,104	8,074	-	-
Mining rights	14,495	14,741	-	-
Intangible assets	4,558	4,792	-	-
Prepayment (land)	397	394	-	-
Trade and other receivables	1,114	973	-	-
	84,058	81,736	73,451	64,472
Current assets				
Inventories	7,303	4,625	-	-
Trade and other receivables	21,980	12,017	15,385	17,896
Tax recoverable	-	9	-	-
Prepayments	3,200	2,777	80	62
Amounts due from contract customers	46,857	41,690	-	-
Cash and cash equivalents	20,576	20,904	2,102	9,103
	99,916	82,022	17,567	27,061
Less:				
Current liabilities				
Trade and other payables	32,849	15,853	3,552	3,817
Amounts due to contract customers	320	1,610	-	-
Bank borrowings	16,937	16,064	6,173	6,091
Financial liabilities designated at fair value through profit or loss	-	23,383	-	-
Finance lease payables	2,333	2,508	-	-
Current income tax payable	818	673	112	112
	53,257	60,091	9,837	10,020
Net current assets	46,659	21,931	7,730	17,041
Non-current liabilities				
Bank borrowings	4,501	5,194	4,281	4,891
Finance lease payables	1,926	1,623	-	-
Deferred tax liabilities	7,917	7,709	96	96
	14,344	14,526	4,377	4,987
Net assets	116,373	89,141	76,804	76,526
Equity				
Share capital	67,174	67,174	67,174	67,174
Reserves	41,743	21,967	9,630	9,352
Total equity attributable to owners of the parent	108,917	89,141	76,804	76,526
Non-controlling interests	7,456	-	-	-
Total equity	116,373	89,141	76,804	76,526

1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debt securities, specify the following at the end of the financial period reported on with comparative figures at the end of the immediately preceding financial year.

	As at 30 September 2014		As at 31 March 2014	
	Secured	Unsecured	Secured	Unsecured
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
Amount repayable within one year	18,215	1,055	39,946 ⁽¹⁾	2,009
Amount repayable after one year	6,208	219	6,514	303
	24,423	1,274	46,461	2,312

(1)

Pursuant to a letter dated 2 May 2014, Luminor Pacific Fund 1 Ltd, and Kwan Chee Seng (the "Pre-IPO Investors") agreed, inter alia, to convert the aggregate principal amount of the convertible bonds issued by Terratech Resources Pte. Ltd. ("Terratech Resources") (the "Convertible Bonds") of S\$15 million and the outstanding accrued interest thereon for the period from 23 November 2013 up to and including 16 June 2014 amounting in aggregate to approximately S\$677,260 (the collective amount of S\$15,677,260 to be referred to as the "Conversion Amount") into new ordinary shares in the capital of Terratech Group Limited ("Terratech") (the "Conversion Shares") (and for any remaining interest accruing for the period from 17 June 2014 up to and including the date of conversion to be paid in cash by Terratech Resources to the Pre-IPO Investors), and that Terratech would assume the liability to repay or procure a conversion of the Conversion Amount into the Conversion Shares in place of Terratech Resources.

As a result of the foregoing, the Conversion Amount became an amount owing by Terratech Resources to Terratech ("Convertible Bonds Settlement Amount") and on 20 June 2014, Terratech Resources issued and allotted 156,772,600 ordinary shares in the capital of Terratech Resources (the "Convertible Bonds Settlement Shares") to Terratech by way of capitalisation of the Convertible Bonds Settlement Amount.

As a result of Terratech assuming the liability to repay or procure the conversion of the Conversion Amount into Conversion Shares, in place of Terratech Resources, the Convertible Bonds Settlement Amount was deemed satisfied, released and discharged in full as between Terratech Resources and the Pre-IPO Investors.

On 15 July 2014, Terratech has released and discharged of its liability to repay or procure the conversion of the Conversion Amount by way of issuing and allotting Terratech's shares to the Pre-IPO Investors, and subsequently on 30 July 2014, Terratech was listed on the Catalist of the SGX-ST.

The banking facilities of the Group comprised bank guarantees, finance lease obligations and term loans. The bank guarantees are secured by fixed deposits placed with the financial institutions and corporate guarantee from the Company. The finance lease obligations are secured by the lessors' title to the leased assets and corporate guarantee from the Company.

The term loans are secured by:-

- (i) 1st legal mortgage over leasehold property located at Food Xchange @ Admiralty and assignment of all rights and benefits over the rental income from the leasehold property;
- (ii) fixed deposits placed with the financial institution;
- (iii) all fresh monies guarantee by certain subsidiaries;
- (iv) corporate guarantee from the Company; and
- (v) the land use right of the Company's subsidiary in the People's Republic of China ("PRC").

1(c) A statement of cash flow (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	Second quarter ended		Half year ended	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit/(loss) before income tax	2,932	(207)	(9,103)	(2,124)
Adjustments for:				
Amortisation of intangible assets	123	(31)	246	53
Amortisation of mining rights	123	123	246	246
Amortisation of land use rights	43	14	87	28
Depreciation of property, plant and equipment	1,030	851	2,130	1,773
Gain on conversion of convertible bonds	(8,799)	-	(8,799)	-
Loss/(Gain) on disposal of property, plant and equipment	-	46	(52)	43
Gain on bargain purchase of acquisition of a subsidiary	-	(1,940)	-	(1,940)
Interest income	(4)	(1)	(7)	(3)
Interest expense	239	558	778	829
Plant and equipment written off	-	76	-	76
Employee share option scheme	-	66	-	66
Operating cash flow before working capital changes	4,313	(445)	(14,474)	(953)
Working capital changes:				
Inventories	(875)	(426)	(2,678)	(683)
Trade and other receivables	(4,374)	(1,621)	(15,271)	(324)
Prepayments	(652)	260	(423)	422
Trade and other payables	(16,316)	(1,926)	15,706	(5,747)
Cash used in operations	(26,529)	(4,158)	(17,140)	(7,285)
Income taxes refund/paid	-	(211)	(74)	(322)
Interest received	4	2	7	3
Net cash used in operating activities	(26,525)	(4,367)	(17,207)	(7,604)

1(c) A statement of cash flow (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

	Group			
	Second quarter ended		Half year ended	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$'000	\$'000	\$'000	\$'000
Investing activities				
Addition of intangible assets	-	(12)	(8)	(24)
Acquisition of subsidiary, net of cash acquired	-	341	-	341
Purchase of property, plant and equipment	(1,782)	(362)	(2,890)	(1,985)
Proceeds from disposal of property, plant and equipment	(5)	-	47	57
Net cash used in investing activities	(1,787)	(33)	(2,851)	(1,611)
Financing activities				
Decrease in fixed deposit pledged	-	2	93	-
Proceeds from bank borrowings	2,199	4,082	2,224	4,082
Repayments of bank borrowings	(368)	(261)	(733)	(595)
Repayments of finance lease obligations	(663)	(902)	(1,503)	(1,673)
Disposal of shares to non-controlling interest	25,940	-	35,842	-
Convertible bonds	8,799	-	(14,584)	1,857
Proceeds from Employee Shares Option Scheme	-	1,404	-	1,404
Proceeds from issuance of shares, net of expenses	-	18,146	-	18,146
Interest paid	(238)	(629)	(778)	(829)
Net cash from financing activities	35,669	21,842	20,561	22,392
Net change in cash and cash equivalents	7,356	17,442	503	13,177
Cash and cash equivalents at beginning of financial period	4,133	9,759	11,603	14,021
Currency translation differences	1,188	(15)	571	(12)
Cash and cash equivalents at end of financial period	12,677	27,186	12,677	27,186

Cash and cash equivalents comprise:

	Group	
	Half year ended	
	(Unaudited)	(Unaudited)
	30/09/2014	30/09/2013
Fixed deposits with bank	7,189	4,369
Cash and bank balances	13,386	27,964
Cash and cash equivalents on consolidated statement of financial position	20,575	32,333
Bank overdraft	(2,746)	(800)
Fixed deposit pledged	(5,152)	(4,347)
Cash and cash equivalents on consolidated statement of cash flow	12,677	27,186

(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Other reserve	Employee share option reserve	Foreign currency translation account	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group (Unaudited)								
Balance at 1.4.2014	67,174	3,243	13,036	(350)	6,038	89,141	-	89,141
Loss for the financial period	-	-	-	-	(12,120)	(12,120)	-	(12,120)
Other comprehensive income for the financial period								
Foreign currency differences on translation of foreign operations	-	-	-	(711)	-	(711)	-	(711)
Total comprehensive income for the financial period								
Balance at 30.6.2014	67,174	3,243	13,036	(1,061)	(6,082)	76,310	-	76,310
Profit for the financial period	-	-	-	-	2,761	2,761	(180)	2,581
Other comprehensive income for the financial period								
Foreign currency differences on translation of foreign operations	-	-	-	1,100	-	1,100	540	1,640
Total comprehensive income for the financial period	-	-	-	1,100	2,761	3,861	360	4,221
Contributions by and distributions to owners of the parent								
Non-controlling interests	-	-	-	-	-	-	7,096	7,096
Disposal of shares	-	28,746	-	-	-	28,746	-	28,746
Convertible preference shares transferred to retained earnings	-	(3,243)	-	-	3,243	-	-	-
Total transactions with owners of the parent	-	25,503	-	-	3,243	28,746	7,096	35,842
Balance at 30.9.2014	67,174	28,746	13,036	39	(78)	108,917	7,456	116,373

(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (continued).

	Share capital	Other reserve	Employee share option reserve	Warrants reserve	Foreign currency translation account	Revaluation reserve	Retained earnings	Equity attributable to owners of the parent
Group (Unaudited)	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1.4.2013	44,713	3,243	890	295	(261)	-	13,432	62,312
Loss for the financial period	-	-	-	-	-	-	(1,917)	(1,917)
Other comprehensive income for the financial period								
Foreign currency differences on translation of foreign operations	-	-	-	-	773	-	-	773
Total comprehensive income for the financial period	-	-	-	-	773	-	(1,917)	(1,144)
Contributions by and distributions to owners of the parent								
Issuance of shares pursuant to exercise of warrants and placement, net of expenses	1,857	-	-	-	-	-	-	1,857
Transfer of share capital upon exercise of warrants	55	-	-	(55)	-	-	-	-
Total transactions with owners of the parent	1,912	-	-	(55)	-	-	-	1,857
Balance at 30.6.2013	46,625	3,243	890	240	512	-	11,515	63,025
Profit for the financial period	-	-	-	-	-	-	18	18
Other comprehensive income for the financial period								
Foreign currency differences on translation of foreign operations	-	-	-	-	(145)	-	-	(145)
Total comprehensive income for the financial period	-	-	-	-	(145)	-	18	(127)
Contributions by and distributions to owners of the parent								
Issuance of shares	19,518	-	-	-	-	-	-	19,518
Grant of equity settled share options to employees	-	-	66	-	-	-	-	66
Total transactions with owners of the parent	19,518	-	66	-	-	-	-	19,584
Balance at 30.9.2013	66,143	3,243	956	240	367	-	11,533	82,482

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (continued).

	Share capital	Other reserve	Employee share option reserve	Warrants reserve	Revaluation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company (Unaudited)							
Balance at 1.4.2014	67,174	3,243	-	-	470	5,639	76,526
Profit for the financial period	-	-	-	-	-	(45)	(45)
Total comprehensive income for the financial period	-	-	-	-	-	(45)	(45)
Balance at 30.6.2014	67,174	3,243	-	-	470	5,594	76,481
Profit for the financial period	-	-	-	-	-	323	323
Total comprehensive income for the financial period	-	-	-	-	-	323	323
Balance at 30.9.2014	67,174	3,243	-	-	470	5,917	76,804

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (continued).

	Share capital	Other reserve	Employee share option reserve	Warrants reserve	Revaluation reserve	Retained earnings	Total
Company (Unaudited)	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1.4.2013	44,713	3,243	890	295	-	5,630	54,771
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	138	138
Total comprehensive income for the financial period	-	-	-	-	-	138	138
Contributions by and distributions to owners of the parent							
Issuance of shares pursuant to exercise of warrants and placement, net of expenses	1,857	-	-	-	-	-	1,857
Transfer to share capital upon exercise of warrants	55	-	-	(55)	-	-	-
Total transactions with owners of the parent	1,912	-	-	(55)	-	-	1,857
Balance at 30.6.2013	46,625	3,243	890	240	-	5,768	56,766
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	(102)	(102)
Total comprehensive income	-	-	-	-	-	(102)	(102)
Contributions by and distributions to owners of the parent							
Issuance of shares	19,518	-	-	-	-	-	19,518
Grant of equity settled share options to employees	-	-	66	-	-	-	66
Total transactions with owners of the parent	19,518	-	66	-	-	-	19,584
Balance as at 30.9.2013	66,143	3,243	956	240	-	5,666	76,248

(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Details of the changes in the issued and paid-up capital of the Company since 30 June 2014 to 30 September 2014 are as follows:-

Ordinary shares

	Number of shares	\$
Issued and fully paid ordinary shares as at 30 June 2014	773,149,186	67,174,090
Issued and fully paid ordinary shares as at 30 September 2014	773,149,186	67,174,090

Warrants

As at 30 September 2014, there were 386,574,593 bonus warrants allotted and issued, each warrant carrying the right to subscribe for one new share of the Company at the exercise price of S\$0.20 for each new share. As at 30 September 2013, there were no outstanding warrants.

Convertible Bonds

On 20 June 2014, Terratech Resources issued and allotted the 156,772,600 Convertible Bonds Settlement Shares to Terratech by way of the capitalisation of the Convertible Bonds Settlement Amount, owing by Terratech Resources to Terratech as a result of Terratech assuming the liability to repay or procure the conversion of the Conversion Amount into Conversion Shares, in place of Terratech Resources, pursuant to which the Convertible Bonds Settlement Amount was deemed satisfied, released and discharged in full as between Terratech Resources and Terratech.

On 15 July 2014, with respect to the imminent listing of Terratech on Catalist of the SGX-ST, the Company has released and discharged of its liability to repay or procure the conversion of the Conversion Amount by way of issuing and allotting Terratech's shares to Pre-IPO Investors.

Employee Share Options

The Company did not have outstanding share options as at 30 September 2014 (30 September 2013: 320,000)

Treasury shares

The Company did not have any outstanding treasury shares as at 30 September 2014 and 30 September 2013.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30.09.2014	As at 31.03.2014
Total number of issued shares excluding treasury shares	773,149,186	773,149,186

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There was no treasury shares during or as at the end of the current financial year reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which accounting standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

4. Whether the same accounting policies and methods of computation as in the Issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the three months financial period ended 30 September 2014 ("2Q2015") as those used in the most recently audited annual financial statements for the financial year ended 31 March 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In the current financial period, the Group adopted all of the new and/or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are relevant to its operations and are effective for first-time adoption during the current financial year. The adoption of these new and/or revised FRS and INT FRS did not result in any substantial changes to the Group's and Company's accounting policies and has no material effect on the financial statements for the current or prior financial periods reported on.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	2Q2015	2Q2014	1H2015	1H2014
(a) Basic (loss)/earnings per share (SGD cents)	0.33	0.01	(1.23)	(0.49)
(b) Diluted (loss)/earnings per share (SGD cents)	0.22	0.01	(1.23)	(0.49)

- (a) Basic earnings/(loss) per share of the Group in 2Q2015 and half year financial period ended 30 September 2014 ("1H2015") are calculated based on the weighted average number of ordinary shares in issue of 773,149,186.

Basic earnings per share of the Group for three months financial period ended 30 September 2013 ("2Q2014") is calculated based on the weighted average number of ordinary shares in issue of 318,470,539

Basic loss per share of the Group in half year financial period ended 30 September 2013 ("1H2014") is calculated based on the weighted average number of ordinary shares in issue of 384,987,604.

- (b) Diluted earnings per share of the Group in 2Q2015 is calculated based on the weighted average number of ordinary shares in issue of 1,159,723,779.

Diluted earnings per share of the Group in 2Q2014 is calculated based on the weighted average number of ordinary shares in issue of 318,790,539.

Diluted loss per share of the Group in 1H2015 and 1H2014 are the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the share conversions would be to decrease the loss per share.

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Issuer at the end of the:-

- a) current financial period reported on; and
b) immediately preceding financial year.

	Group		Company	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
Net asset value per ordinary share based on issued share capital (SGD cents)	15.05	11.53	9.93	9.90

The net asset value per ordinary share of the Group and the Company as at 30 September 2014 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 773,149,186 (31 March 2014: 773,149,186).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

- a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

REVIEW OF INCOME STATEMENT OF THE GROUP

Financial period ended 30 September 2014 ("2Q2015") vs financial period ended 30 September 2013 ("2Q2014")

The Group's revenue increased by \$2.4 million from \$13.3 million in 2Q2014 to \$15.7 million in 2Q2015. The increase was mainly due to the increase in revenue from the water-related and environmental business from the projects of Anhui Clean Environment Biotechnology Co. Ltd.

The Group's gross profit decreased by \$0.1 million from \$3.1 million in 2Q2014 to \$3.0 million in 2Q2015. The gross profit margin decreased from 22.9% in 2Q2014 to 19.1% in 2Q2015. The decrease was mainly due to lower gross profit margin generated from the engineering business.

The Group's other income increased by \$6.5 million from \$2.4 million in 2Q2014 to \$8.9 million in 2Q2015 mainly due to an one-off gain of \$8.8 million on the conversion of the Convertible Bonds to Terratech's shares upon the listing of Terratech on 30 July 2014.

The Group's administrative expenses increased by \$3.4 million from \$3.1 million in 2Q2014 to \$6.5 million in 2Q2015. The increase in administrative expenses was mainly due to (1) IPO expenses and professional fee of \$1.8 million and (2) increase in salary and wages, depreciation charges of property, plant and equipment and office expenses.

Distribution expenses increased by \$0.2 million from \$0.2 million in 2Q2014 to \$0.4 million in 2Q2015 mainly due to an increase in the transportation, depreciation of motor vehicles for the water-related business.

Finance costs decreased by \$0.4 million from \$0.6 million in 2Q2014 to \$0.2 million in 2Q2015. The decrease in finance costs was mainly due to the cessation of interest incurred on the Convertible Bonds which was converted to Terratech's shares upon the listing of Terratech on 30 July 2014.

The increase in depreciation charge of \$0.2 million from \$0.9 million in 2Q2014 to \$1.0 million in 2Q2015 was mainly due to the purchase of new machinery and equipment.

As a result of the above, the Group recorded a profit after tax of \$2.6 million in 2Q2015 as compared to a profit after tax of \$0.02 million in 2Q2014.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-
- a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on. (continued)

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current assets of the Group amounted to \$84.1 million as at 30 September 2014, an increase of \$2.4 million from \$81.7 million as at 31 March 2014. The increase was due to increase in property, plant and equipment of \$2.7 million and increase in trade and other receivables of \$2.7 million partially offset by the decrease in intangible assets and mining right due to amortization of \$0.3 million.

Current assets which comprised inventories, trade and other receivables, tax recoverable, prepayments, amounts due from contract customers and, cash and cash equivalents, were \$99.9 million as at 30 September 2014. This represented an increase of \$17.9 million from \$82.0 million as at 31 March 2014. The increase was mainly due to the increase in inventories, trade and other receivables, prepayment and amounts due from contract customers. The increase in inventories by \$2.7 million was mainly due to the increase in the inventory of marble products and water-related and environmental business in PRC. The increase in trade and other receivables of \$9.9 million and prepayment of \$0.4 million were mainly due to its water-related and environmental business in PRC. The increase of \$5.2 million in amount due from contract customers was mainly due to its engineering business and water-related and environmental business in PRC. The increase was partially offset by a decrease in cash and cash equivalents of \$0.3 million.

Current liabilities which comprised trade and other payables, amounts due to contract customers, bank borrowings, financial liabilities designated at fair value through profit or loss, finance lease payables and current income tax payable were \$53.2 million as at 30 September 2014, a decrease of \$6.8 million from \$60.0 million as at 31 March 2014 due mainly to an increase in trade and other payables of \$16.9 million from the engineering business (\$6 million) and water related and environmental business in PRC (\$10.9 million) offset by a decrease in the derecognition of financial liabilities designated at fair value through profit or loss of \$23.4 million.

Non-current liabilities were \$14.3 million as at 30 September 2014, a decrease of \$0.2 million from \$14.5 million as at 31 March 2014. This was mainly due to the decrease in bank borrowings of \$0.7 million offset by the increase in finance lease payables of \$0.3 million and increase in deferred tax liabilities of \$0.2 million.

The Group had a positive working capital of \$46.7 million as at 30 September 2014 as compared to \$21.9 million as at 31 March 2014.

REVIEW OF CASH FLOW STATEMENT OF THE GROUP

The Group had a net cash used in operating activities amounted to \$17.2 million in 1H2015. The net cash used in operating activities in 1H2015 was mainly due to an operating cash outflow of \$14.5 million before working capital changes and an increase in inventories of its marble products and those held by its water and environmental business in PRC and increase in trade and other receivables as well as payments arising from its water-related and environmental business in PRC.

Net cash of \$2.8 million was used in investing activities in 1H2015, mainly for the purchase of property, plant and equipment for the Group's businesses.

Net cash of \$20.6 million generated from financing activities in 1H2015 was mainly due to cash inflow from proceeds from disposal of shares to non-controlling interest and proceeds from bank borrowings of \$23.5 million, offset by the repayment of bank borrowings, interest payment and payment of finance lease obligations of \$3.0 million.

As at 30 September 2014, the Group had cash and cash equivalents amounting to \$12.7 million, an increase from \$11.6 million as at 31 March 2014.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and actual results.

The current results are in line with the Company's discussion presented in Note 10 of the unaudited results announcement dated 13 August 2014.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's engineering business remains its core business and the management is positive on the long term performance of this business which has continued to remain profitable despite increased competition and higher direct costs in Singapore that impacted its profit margin. As at 31 October 2014, the order book for the engineering business was approximately \$143.9 million as the Group continues to secure new contracts from its major customers.

The Group has built its own unique core competitive edges in the water-related and environmental business, namely 1) complete membrane and membrane related products; 2) advanced and patented anaerobic technologies; and 3) real-time water quality and environmental monitoring technologies, to better position to grasp the market potential and work towards being one of the leading water-related services providers in Singapore and the neighboring region.

For full commentary on the Group's marble business, please refer to the financial results announcement of Terratech in respect of second quarter and half year ended 30 September 2014 which are released separately as at the date of this announcement.

Based on the above developments and barring any unforeseen circumstances, the Group's businesses are expected to achieve revenue growth in the coming 12 months.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

Nil

(b)(i) Amount per share (cents)

(Optional) Rate (%)

Nil

(b)(ii) Previous corresponding period (cents)

(Optional) Rate (%)

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable

(e) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable

12 If no dividend has been declared (recommended), a statement to that effect.

No dividends has been declared or recommended for three months financial period ended 30 September 2014.

13 Interested Person Transactions

If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There were no interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920). The Company does not have a general mandate from its shareholders for interested person transactions.

14 Update on use of convertible loan proceeds

As at the date of this announcement, the net proceeds raised from the issuance of the Convertible Loan had been utilised by the Group according to the intended uses (as announced on 21 September 2014) as follow:

	Allocated S\$'000	Utilised S\$'000	Balance S\$'000
Expenses for the issuance of the Minimum loan or loan	70	70	-
Business expansion (including but not limited to, capital expenditure, expansion of markets in relation to the Group's business and potential acquisitions)	9,930	-	9,930
TOTAL	10,000	70	9,930

14 Confirmation pursuant to Rule 705(5) of listing manual

The Board of Directors of the Company hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the three months ended 30 September 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr Wang Xiaoning
Managing Director
13 November 2014