



TERRATECH GROUP LIMITED

(Company Registration No: CT-276295)

(Incorporated in the Cayman Islands on 15 March 2013)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 Sponsor has also not drawn on any specific technical expertise in its review of 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.

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

- 1(a) A combined statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Financial year ended 31 March		
	2016	2015	Change
	(unaudited) S\$'000	(audited) S\$'000	%
Revenue	10,042	4,415	n.m.
Cost of sales	(9,583)	(4,757)	n.m.
Gross profit/(loss)	459	(342)	n.m.
<i>Other items of income</i>			
Other income	951	99	n.m.
<i>Other items of expenses</i>			
Distribution expenses	(187)	(177)	6
Administrative expenses	(4,220)	(6,504)	(35)
Other expenses	(272)	(4,686)	(94)
Finance costs	(22)	(712)	(97)
Loss before income tax	(3,291)	(12,322)	(73)
Income tax expense	(330)	-	n.m.
Loss after income tax	(3,621)	(12,322)	(71)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations	(455)	517	n.m.
Other comprehensive income/(loss) for the financial period, net of tax	(455)	517	n.m.
Total comprehensive loss for the financial year	(4,076)	(11,805)	(86)
Profit/(Loss) attributable to:			
Owners of the parent	(3,547)	(12,264)	(71)
Non-controlling interest	(74)	(58)	28
Total comprehensive profit/(loss) attributable to:	(3,621)	(12,322)	(71)
Owners of the parent	(3,997)	(11,747)	(66)
Non-controlling interest	(79)	(58)	36
	(4,076)	(11,805)	(65)

n.m. denotes not meaningful or > 100%

1(a) A consolidated statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

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

	Financial year ended 31 March		
	2016	2015	Change
	(unaudited) S\$'000	(audited) S\$'000	%
Other income			
Reversal on provision for impairment of other receivables	176	-	n.m.
Reversal on provision for impairment of inventory	304	-	n.m.
Rental income	55	-	n.m.
Interest income	1	2	(50)
Sundry income	415	97	n.m.
Cost of sales, distribution, administrative and other expenses			
Depreciation of property, plant and equipment	(663)	(622)	7
Amortisation of intangible assets	(18)	(12)	50
Operating lease expense	(159)	(232)	(31)
Interest expense	(22)	(712)	(97)
Foreign exchange loss	(63)	(450)	n.m.
Write off of property, plant and equipment	(10)	-	n.m.
Provision for impairment of inventory	(46)	(1,492)	n.m.
Provision of impairment loss of trade receivable, net	(216)	(192)	13
Fair value loss of derivative financial instruments	-	(3,002)	n.m.

n.m. denotes not meaningful or > 100%

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 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15
	(unaudited)	(audited)	(unaudited)	(audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	5,435	5,536	-	-
Intangible assets	690	719	-	-
Goodwill	1,299	1,363	-	-
Investments in subsidiaries	-	-	32,573	24,543
Prepayments	-	378	-	-
	7,424	7,996	32,573	24,543
Current assets				
Inventories	3,819	3,517	-	-
Trade receivables	1,540	932	-	-
Amounts due from contract customers	120	274	-	-
Prepayments, deposits and other receivables	999	1,374	43	205
Due from related companies	10	223	-	-
Due from a subsidiary	-	-	6,169	12,808
Fixed deposit pledged	-	99	-	-
Cash and cash equivalents	793	2,888	3	2,066
	7,281	9,307	6,215	15,079
Current liabilities				
Trade payables	767	304	-	69
Other payables and accruals	2,778	1,653	1,003	397
Amount due to ultimate holding company	365	-	365	-
Amounts due to contract customers	79	-	-	-
Bank borrowing	-	336	-	-
Finance lease payables	157	218	-	-
	4,146	2,511	1,368	466
Net current assets	3,135	6,796	4,847	14,613
Non-current liability				
Finance lease payables	27	184	-	-
	27	184	-	-
Net assets	10,532	14,608	37,420	39,156
Capital and reserves				
Share capital	6,150	6,150	6,150	6,150
Reserves	4,331	8,328	31,270	33,006
Equity attributable to owners of the parent	10,481	14,478	37,420	39,156
Non-controlling interest	51	130	-	-
Total equity	10,532	14,608	37,420	39,156

- 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.

	Group			
	As at 31.03.16		As at 31.03.15	
	(unaudited)		(audited)	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable within one year	157	365	218	336
Amount repayable after one year	27	-	184	-
	184	365	402	336

Note:

The secured amount of banking facilities of the Group in FY 2016 relates to finance lease obligations which is secured by the lessor's title to the leased assets.

The unsecured amount of S\$0.36 million relates to interest free loan from Trittech Group Limited.

The unsecured amount of banking facilities in prior year comprised bank borrowing which had been settled in 3Q2016.

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

Unaudited

Operating activities:

	Group	
	Financial year ended	
	31.03.16	31.03.15
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Loss before income tax	(3,291)	(12,322)
Adjustments for:		
Amortisation of intangible assets	18	12
Bad debts written back	-	-
Depreciation of property, plant and equipment	663	622
Equity-settled share-based compensation expense	-	157
FV loss of derivative financial instruments	-	3,002
Interest income	(1)	(2)
Interest expense	22	712
Property, plant & equipment written off	10	-
Reversal on impairment loss of inventory, net	(258)	-
Reversal on impairment loss of other receivable	(176)	-
Provision of impairment loss of trade receivable, net	216	192
Write down of inventories to net realisable value	-	1,492
Operating cash flows before working capital changes	(2,797)	(6,135)

Working capital changes:

Inventories	(44)	(1,955)
Trade receivables	(824)	(558)
Prepayments, deposits and other receivables	929	(20)
Trade payables	463	(163)
Other payables and accruals	794	2,398
Amounts due from contract customers	234	(256)
Amount due from related companies	213	(223)
Amount due to immediate holding company	-	2,200
Cash from/(used) in operations	(1,032)	(4,712)
Interest paid	(22)	(55)
Interest received	1	2
Income tax refund	-	-
Net cash from/(used in) operating activities	(1,053)	(4,765)

Investing activities:

Purchases of property, plant and equipment	(701)	(807)
Acquisition of a subsidiary	-	(1,993)
Fixed deposit pledged	99	92
Net cash used in investing activities	(602)	(2,708)

Financing activities:

Loan from ultimate holding company	365	-
Proceeds from issue of shares	-	10,005
Share issue expenses	-	(1,494)
Repayments of bank borrowing	(331)	-
Repayments of finance lease obligations	(223)	(754)
Net cash from/(used in) financing activities	(189)	7,757

Net change in cash and cash equivalents	(1,844)	284
Cash and cash equivalents at beginning of financial period	2,888	2,489
Currency translation differences	(251)	115
Cash and cash equivalents at end of financial period	793	2,888

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

Cash and cash equivalents comprised:

	Group	
	Financial year ended	
	31.03.16	31.03.15
	S\$'000	S\$'000
	(Unaudited)	(Audited)
Fixed deposit with bank	-	99
Cash and bank balances	793	2,888
	793	2,987
Fixed deposit pledged	-	(99)
Cash and cash equivalents on consolidated statement of cash flow	793	2,888

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.

	Share capital	Share premium	Other reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group (unaudited)								
Balance at 1.4.2015	6,150	39,545	157	635	(32,009)	14,478	130	14,608
Profit/(Loss) for the financial period	-	-	-	-	(3,547)	(3,547)	(74)	(3,621)
Other comprehensive income for the financial period								
Foreign currency differences on translation of foreign operations	-	-	-	(450)	-	(450)	(5)	(455)
Total comprehensive loss for the financial period	-	-	-	(450)	(3,547)	(3,997)	(79)	(4,076)
Total transactions with owners of the parent	-	-	-	-	-	-	-	-
Balance at 31.03.2016	6,150	39,545	157	185	(35,556)	10,481	51	10,532

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

	Share capital	Share premium	Other reserve	Deemed contribution	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group (audited)									
Balance at 1.4.2014	430	-	-	90	118	(19,746)	(19,108)	-	(19,108)
Loss for the financial year	-	-	-	-	-	(12,263)	(12,263)	(58)	(12,321)
Other comprehensive income for the financial year									
Foreign currency differences on translation of foreign operations	-	-	-	-	517	-	517	-	517
Total comprehensive income for the financial year	-	-	-		517	(12,263)	(11,746)	(58)	(11,804)
Contributions by and distributions to owners of the parent									
Issuance of share pursuant to the restructuring exercise	4,300	4,136	-	-	-	-	8,436	-	8,436
Adjustment from restructuring exercise	(430)	430	-	-	-	-	-	-	-
Issuance of shares in connection with IPO	435	9,570	-	-	-	-	10,005	-	10,005
Less: share issuance expenses	-	(1,494)	-	-	-	-	(1,494)	-	(1,494)
Issuance of shares to the sponsor	52	1,148	-	-	-	-	1,200	-	1,200
Issuance of shares upon conversion of convertible bonds	1,363	25,755	-	(90)	-	-	27,028	-	27,028
Grant of equity-settled share awards to employees and directors	-	-	157	-	-	-	157	-	157
Acquisition of a subsidiary	-	-	-	-	-	-	-	188	188
Total transactions with owners of the parent	5,720	39,545	157	(90)	-	-	45,332	188	45,520
Balance at 31.3.2015	6,150	39,545	157	-	635	(32,009)	14,478	130	14,608

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

	Share capital	Share premium	Other reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company (unaudited)					
Balance at 1.04.2015	6,150	39,545	157	(6,696)	39,156
Loss for the financial period	-	-	-	(1,736)	(1,736)
Total comprehensive loss for the financial period	-	-	-	(1,736)	(1,736)
Total transactions with owners of the parent	-	-	-	-	-
Balance at 31.03.2016	6,150	39,545	157	(8,432)	37,420

	Share capital	Share premium	Other reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company (audited)					
Balance at 1.4.2014	430	-	-	(518)	(88)
Loss for the financial year	-	-	-	(6,178)	(6,178)
Total comprehensive income for the financial year	-	-	-	(6,178)	(6,178)

Contributions by and distributions to owners of the parent

Issuance of share pursuant to the restructuring exercise	4,300	4,136	-	-	8,436
Adjustment from restructuring exercise	(430)	430	-	-	-
Issuance of shares in connection with IPO	435	9,570	-	-	10,005
Less: share issuance expenses	-	(1,494)	-	-	(1,494)
Issuance of shares to the sponsor	52	1,148	-	-	1,200
Issuance of shares upon conversion of convertible bonds	1,363	25,755	-	-	27,118
Grant of equity – settled share awards to employees and directors	-	-	157	-	157
Total transactions with owners of the parent	5,720	39,545	157	-	45,422
Balance at 31.3.2015	6,150	39,545	157	(6,696)	39,156

- 1(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.

Ordinary shares

	Number of issued shares	Share capital S\$
As at 31 December 2015	615,042,003	6,150,420
As at 31 March 2016	615,042,003	6,150,420

The Company did not have any outstanding options, convertibles or treasury shares as at 31 March 2016 and 31 March 2015.

Subsequent to 31 March 2016, the Company had on 21 April 2016, allotted and issued an aggregate of 68,500,000 new shares following the completion of the placement ("Placement"). The total number of issued shares has increased from 615,042,003 shares to 683,542,003 shares.

- 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 31.03.16	As at 31.03.15
Total number of issued shares excluding treasury shares	615,042,003	615,042,003

- 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. The Company did not have any treasury shares during and 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 and the Company have applied the same accounting policies and methods of computation in preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2015.

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 reporting period, the Group adopted all of the new or revised International Financial Reporting Standards ("IFRS") 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 IFRS did not result in any substantial changes to the Group's and Company's accounting policies and where relevant has no material effect on the financial results for the current financial year reported on.

6. Loss 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.

	Financial Year Ended	
	31.03.16 (Unaudited)	31.03.15 (Audited)
(a) Basic loss per ordinary share (SGD cents)	(0.58)	(2.19)
(b) Diluted loss per ordinary share (SGD cents)	(0.58)	(2.19)

- (a) Basic loss per share of the Group for the twelve months ended 31 March 2016 are calculated based on the actual number of ordinary shares in issue of 615,042,003.

Basic loss per share of the Group for the twelve months ended 31 March 2015 are calculated based on the weighted average number of ordinary shares in issue of 560,023,071.

- (b) Diluted loss per share for the twelve months ended 31 March 2016 and 31 March 2015 is the same as the basic loss per share as there were no potentially dilutive securities as at 31 March 2016 and 31 March 2015.

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	
	31.03.16 (Unaudited)	31.03.15 (Audited)	31.03.16 (Unaudited)	31.03.15 (Audited)
Net asset value per ordinary share based on issued share capital (SGD cents)	1.71	2.35	6.08	6.37

The net asset value per ordinary share of the Group and the Company as at 31 March 2016 and 31 March 2015 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 615,042,003.

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 STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP

Financial year ended 31 March 2016 ("FY2016") vs financial year ended 31 March 2015 ("FY2015")

For the financial year ended 31 March 2016, the Group registered S\$10.04 million in revenue as compared to S\$4.41 million in the financial year ended 31 March 2015. The Group's revenue continues to derive mainly from its PRC operation, 陕西恒宇建筑装饰工程有限公司 ("Hengyu"). Hengyu is a licensed provider of interior and exterior decoration work services for construction projects in the PRC and is currently the main platform by which the Group has been promoting and marketing its marble and marble-related products in the PRC since its acquisition by the Group. With the increased revenue, the Group reverted from a gross loss of S\$0.34 million in FY2015 to a gross profit of S\$0.46 million in FY2016.

Other income increased by S\$0.85 million in FY2016 as compared to FY2015, mainly attributable to reversal on provision for impairment of other receivables of S\$0.18 million, reversal on provision for impairment of inventory of S\$0.3 million, rental income from leasing of machinery of S\$0.05 million and increase in sundry income of S\$0.32 million.

Administrative expenses decreased by S\$2.28 million from S\$6.50 million in FY2015 to S\$4.22 million in FY2016, mainly due to the cost cutting measures implemented by the Management and reclassification of unrealized foreign exchange loss to foreign currency translation reserve.

Other expenses decreased by S\$4.41 million from S\$4.68 million in FY2015 to S\$0.27 million in FY2016 mainly due to the absence of fair value loss of derivative financial instruments of S\$3.0 million and write-down of inventories to net realizable value of S\$1.49 million.

Finance costs decreased from S\$0.71 million in FY2015 to S\$0.02 million in FY2016 mainly due to absence of interest payments on convertible bonds which had since converted into ordinary shares of the Company.

Income tax expense increased by S\$0.33 million in FY2016, a result of an under provision of tax for its PRC's operation.

As a result of the aforementioned, the Group recorded a lower net loss of S\$3.62 million in FY2016 as compared to a net loss of S\$12.32 million in FY2015.

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 STATEMENT OF FINANCIAL POSITION

Non-current assets decreased by S\$0.57 million to S\$7.42 million as at 31 March 2016 from S\$7.99 million as at 31 March 2015. The decrease was mainly due to depreciation and amortisation charges of S\$0.68 million, an exchange realignment loss of S\$0.13 million on property, plant and equipment, decrease in prepayment relating to refund of deposit from purchase of land amounting to S\$0.38 million and partially offset by purchase of property, plant and equipment of S\$0.70 million.

Current assets decreased by S\$2.03 million from S\$9.30 million as at 31 March 2015 to S\$7.28 million as at 31 March 2016. The decrease was mainly due to decrease in amounts due from contract customers of S\$0.15 million, decrease in prepayment, deposits and other receivables of S\$0.38 million, decreased in amount due from related companies of S\$0.21 million, decreased in fixed deposit pledged of S\$0.10 million and decrease in cash and cash equivalents of S\$2.1 million, which were partially offset by the increase in inventories of S\$0.3 million due to higher production of marble in the fourth quarter and increase in trade receivables of S\$0.61 million due to higher marble sale in the fourth quarter, which is still under credit term.

Current liabilities increased by S\$1.63 million from S\$2.51 million as at 31 March 2015 to S\$4.15 million as at 31 March 2016. The increase was mainly due to increase in trade payables of S\$0.46 million, increase in other payables and accruals of S\$1.12 million (comprises accrual of management salaries, director fee and professional fees), increase in amount due to ultimate holding company of S\$0.36 million for working capital purposes, increase in amount due to contract customers S\$0.08 million, which were partially offset by decrease in bank borrowing of S\$0.34 million and finance lease payables of S\$0.06 million.

Non-current liabilities decreased by S\$0.15 million from S\$0.18 million as at 31 March 2015 to S\$0.03 million as at 31 March 2016 due to repayments of finance lease payables.

As a result, the Group had net assets of S\$10.53 million as at 31 March 2016.

REVIEW OF STATEMENT OF CASH FLOWS

Net cash used in operating activities of S\$1.05 million in FY2016 was mainly due to negative operating cash flows before working capital changes of S\$2.79 million after taking into account the changes in working capital arising from increase in inventories of S\$0.04 million, increase in trade receivables of S\$0.82 million, decrease in prepayment, deposits and other receivables of S\$0.93 million, increase in trade payables of S\$0.46 million, increase in other payables and accruals of S\$0.79 million, decrease in amounts due from contract customers of S\$0.23 million and decrease in amount due from related companies of S\$0.21 million.

Net cash used in investing activities of S\$0.60 million in FY2016 was due to the purchase of property, plant and equipment of S\$0.70 million, which was partially offset by the withdrawal of fixed deposit of S\$ 0.10 million.

Net cash flows used in financing activities of S\$0.19 million in FY2016 was due to repayments of bank borrowing and finance lease obligations amounting to S\$0.33 million and S\$0.22 million respectively, which were partially offset against the loan from ultimate holding company of S\$0.36 million.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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.

In FY2016, the Group had been making continuous efforts in managing quarry operations, production and marketing. The Group is continuing its marble extraction works at Hill 2B and marble platform expansion and block extraction works at Hill 2A. Hill 1 marble extraction works had been put on hold since January 2016 to focus on exploring resources on Hill 2B and Hill 2A.

As part of the Placement proceeds has been allocated for exploration of investment, acquisitions, strategic alliance, this may affect in which the Group operates in for the next 12 months.

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

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

None.

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

(Optional) Rate (%)

Not applicable.

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

(Optional) Rate (%)

None.

- (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 dividend has been declared or recommended for the financial year ended 31 March 2016.

13. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPT") 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.

The Group does not have a general mandate from its shareholders for IPTs. There was no IPT with value of more than S\$100,000 entered into during the financial year.

14. Update on use of proceeds

As at the date of this announcement, the net proceeds raised from the Placement had been utilized by the Group to the intended uses as follow:

Subsequent to the reallocation, the status of the use of net proceeds as at the date of this announcement is as follows:

	Amount Allocated S\$'000		Utilised S\$'000	Balance S\$'000
To explore investments, acquisitions, strategic alliance and/or joint ventures	1,611	60%	-	1,611
General working capital	1,074	40%	953 ⁽¹⁾	121
TOTAL	2,685	100%	953	1,732

(1) The amount allocated for working capital had been utilized mainly for the payment to subcontractor of S\$0.27 million, other expenses of S\$0.32 million and payment of holding company advances of S\$0.36 million.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENTS

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group's revenue contribution to consolidated results in FY2016 was mainly derived from Hengyu. Such revenue together with the revenue derived from the Group's sale of marble and marble related products is regarded as a single reportable segment as Hengyu's business is regarded as an integral part of the Group's business of sales of marble and marble related products, and in line with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Accordingly, no segment reporting is presented for the aforesaid revenue streams of the Group.

Geographical information

Revenue based on geographical location of customers was as follows:

	31 March 2016 S\$'000	31 March 2015 S\$'000
Singapore	356	-
Malaysia	33	155
PRC	9,653	4,260
	10,042	4,415

Non-current assets based on the geographical location of assets was as follows:

	31 March 2016 S\$'000	31 March 2015 S\$'000
Singapore	4,398	5,524
Malaysia	2,981	2,408
PRC	45	64
	7,424	7,996

Non-current assets presented above consisted of intangible assets, property, plant and equipment and prepayments as presented in the statements of financial position.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Not applicable, there is no operating segment reported.

17. A breakdown of sales as follows:

Group	31 March 2016 S\$'000	31 March 2015 S\$'000	Change %
a) Revenue			
-first half Year	5,206	42	n.m
-second half Year	4,836	4,373	11
	<u>10,042</u>	<u>4,415</u>	n.m
b) Operating loss after tax before deducting non-controlling interest			
-first half Year	(1,533)	(5,892)	(74)
-second half Year	(2,088)	(6,430)	(68)
	<u>(3,621)</u>	<u>(12,322)</u>	(71)

n.m. denotes not meaningful or > 100%

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Not applicable.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such person, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the issuer or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

20. Rule 705(6)(a) of the Catalist Listing Manual

Use of funds/cash for the quarter:-

In 4Q2016, funds/cash was mainly used for the following production activities:-

Purpose	Amount (\$'000) Actual Usage	Amount (\$'000) Projected Usage	Amount (\$'000) Variance	Remarks
Excavation and production activities	39	105	(66)	(a)
Payments for property, plant and equipment	131	111	20	
Royalties and tributes fee	-	10	(10)	(b)
Upkeep of equipment and motor vehicles	21	15	6	
General working capital	189	243	(54)	(c)
Total	380	484	(104)	

- Actual payments for excavation and production activities decreased mainly due to accrual of payments to be made in next quarter.
- No payments of royalty and tribute fees in 4Q2016 due to accrual of payments to be made in next quarter.
- Actual expenditure for general working capital decreased mainly due to cost cutting measures implemented by the Management.

Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:-

For the next immediate quarter (financial period from 1 April 2016 to 30 June 2016 ("1Q2017")), the Group's use of fund/cash for production activities are expected to be as follows:-

Purpose	Amount (\$'000) Projected Usage
Excavation and production activities	131
Payments for property plant and equipment	189
Royalty and tribute fees	28
Upkeep of equipment and motor vehicles	40
General working capital	307
Total	695

Principal Assumptions

Projected uses of funds/cash for certain items, including, but not limited to payments for excavation and production activities, and royalty and tribute fees payable will vary according to the inter-alia Group's rate of sales of marble. Accordingly, in the event that the Group's actual rate of sales of marble changes, the Group's use of funds/cash for production activities will change as well.

21. Rule 705(6)(b) of the Catalist 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 above information provided to be false or misleading in any material aspect.

22. Rule 705(7)(a) of the Catalist Listing Manual

Details of exploration (including geophysical surveys), development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

4Q 2016			Cumulative 1Q 2016 to 3Q 2016		Total	
Gua Musang Quarry						
Hill 2B	Excavation Gross Volume (m ³)	Production of marble block (m ³)	Excavation Gross Volume (m ³)	Production of marble block (m ³)	Excavation Gross Volume (m ³)	Production of marble block (m ³)
January 2016	1,100	308	7,600	1,111	13,400	2,194
February 2016	2,500	363				
March 2016	2,200	412				

Hill 2A

January 2016	13,000	-	49,100	-	97,200	-
February 2016	11,600	-				
March 2016	23,500	-				

Hill 1

January 2016	-	-	23,600	-	23,600	-
February 2016	-	-				
March 2016	-	-				

Total cash used for excavation and production activities at Gua Musang Quarry was S\$0.039 million in 4Q2016.

23. Rule 705(7)(b) of the Catalist Listing Manual

Update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.

The qualified person's report ("QPR") on the updated marble resources and ore reserve estimates as at 31 March 2015 is contained in the Annual Report for the financial year ended 31 March 2015 ("Annual Report FY2015"). Soft copy of the Annual Report FY2015 is available for download on the SGXNET.

The Company will provide updates on its reserves and resources in due course, in particular, in accordance with Rules 1204(23) of the Listing Manual (Section B: Rules of Catalist) of the SGX-ST, which requires the inclusion of a qualified person's report dated no earlier than the end of the Company's financial year, and a summary of reserves and resources as set out in Appendix 7D in its annual report for the financial year ended 31 March 2016.

24. Confirmation pursuant to Rule 720(1) of the Catalist Listing Manual

The Company has procured undertakings from all its directors and executive officers under Rule 720(1).

BY ORDER OF THE BOARD

Dr. Loh Chang Kaan

Chief Executive Officer and Executive Director

30 May 2016