



TRITECH GROUP LIMITED

(Company Registration No: 200809330R)

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

Unaudited Condensed Interim Financial Statements for the six months ended 30 September 2023

This announcement has been reviewed by the Company's Sponsor, UOB Kay Hian Private Limited (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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(A) Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Six months ended 30 September		
		2023	2022	Change
		(Unaudited)	(Unaudited)	
		\$'000	\$'000	%
Revenue	4	13,146	11,936	10.1
Cost of sales		(9,713)	(8,308)	16.9
Gross profit		3,433	3,628	(5.4)
Other income		368	518	(29.0)
Distribution expenses		(187)	(298)	(37.2)
Administrative expenses		(3,202)	(4,037)	(20.7)
Other expenses		(1,965)	(2,252)	(12.7)
Finance costs		(374)	(319)	17.2
Share of results of associate		-	404	n.m
Loss before taxation	6	(1,927)	(2,356)	(18.2)
Income tax (expense)/credit	7	(1)	10	n.m
Loss for the financial period		(1,928)	(2,346)	(17.8)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences from translation of associate		-	(379)	n.m
Total comprehensive income for the financial period		(1,928)	(2,725)	(29.2)
Loss attributable to:				
Owners of the Company		(1,931)	(2,338)	(17.4)
Non-controlling interest		3	(8)	n.m
Total loss for the financial period		(1,928)	(2,346)	(17.8)
Total comprehensive income attributable to:				
Owners of the Company		(1,931)	(2,717)	(28.9)
Non-controlling interest		3	(8)	n.m
Total comprehensive income for the financial period		(1,928)	(2,725)	(29.2)
Loss per share attributable to owners of the Company (SGD cents)				
Basic		(0.16)	(0.21)	
Diluted		(0.16)	(0.21)	

n.m not meaningful

(B) Condensed interim statements of financial position

	Note	Group		Company	
		As at	As at	As at	As at
		30/09/2023	31/3/2023	30/09/2023	31/3/2023
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	10	3,727	3,014	44	50
Investment property	11	1,359	1,378	1,359	1,378
Investments in subsidiaries		-	-	17,535	17,535
Investments in associate ⁽¹⁾	12	-	-	-	-
Right-of-use asset		3,303	3,734	-	-
Intangible assets	13	3,179	3,405	-	-
Other receivables	14	4,217	4,139	4,217	4,139
		<u>15,785</u>	<u>15,670</u>	<u>23,155</u>	<u>23,102</u>
Current assets					
Inventories		83	77	-	-
Trade and other receivables	14	7,685	9,028	6,098	5,945
Contract assets		6,214	5,117	-	-
Tax recoverable		-	2	-	-
Prepayments		298	393	23	15
Investment securities		126	126	126	126
Cash and short-term deposits		2,843	5,239	8	157
		<u>17,249</u>	<u>19,982</u>	<u>6,255</u>	<u>6,243</u>
Less:					
Current liabilities					
Trade and other payables	15	15,716	15,455	12,414	11,262
Contract liabilities		3,043	3,454	-	-
Bank borrowings	16	2,249	2,173	1,572	1,558
Lease liabilities	16	860	828	-	-
Provision for taxation		416	416	421	421
		<u>22,284</u>	<u>22,326</u>	<u>14,407</u>	<u>13,241</u>
Net current liabilities		<u>(5,035)</u>	<u>(2,344)</u>	<u>(8,152)</u>	<u>(6,998)</u>
Non-current liabilities					
Bank borrowings	16	991	1,178	318	437
Loan from a shareholder	16	4,457	4,498	4,457	4,498
Lease liabilities	16	2,716	3,136	-	-
Deferred tax liabilities		237	237	222	222
		<u>8,401</u>	<u>9,049</u>	<u>4,997</u>	<u>5,157</u>
Net assets		<u>2,349</u>	<u>4,277</u>	<u>10,006</u>	<u>10,947</u>
Equity attributable to owners of the Company					
Share capital	17	85,270	85,270	85,270	85,270
Reserves		(82,983)	(81,052)	(75,264)	(74,323)
		<u>2,287</u>	<u>4,218</u>	<u>10,006</u>	<u>10,947</u>
Non-controlling interests		62	59	-	-
Total equity		<u>2,349</u>	<u>4,277</u>	<u>10,006</u>	<u>10,947</u>

⁽¹⁾ Amounts deemed insignificant have been rounded to zero.

(C) Condensed interim statements of changes in equity

Group (Unaudited)	Attributable to owners of the Company						Total equity \$'000
	Share capital \$'000	Gains on disposals to non-controlling interests \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Equity attributable to the owners of the Company \$'000	Non-controlling interests \$'000	
At 1 April 2023	85,270	34,945	(273)	(115,724)	4,218	59	4,277
Loss for the financial period	-	-	-	(1,931)	(1,931)	3	(1,928)
Total comprehensive income for the financial period	-	-	-	(1,931)	(1,931)	3	(1,928)
At 30 September 2023	85,270	34,945	(273)	(117,655)	2,287	62	2,349

(C) Condensed interim statements of changes in equity (cont'd)

Group (Unaudited)	Attributable to owners of the Company						Total equity
	Share capital	Gains on disposals to non-controlling interests	Foreign currency translation reserve	Accumulated losses	Equity attributable to the owners of the Company	Non-controlling interests	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 April 2022	80,283	34,945	99	(103,805)	11,522	94	11,616
Loss for the financial period	-	-	-	(2,338)	(2,338)	(8)	(2,346)
<u>Other comprehensive income</u>							
Exchange differences from translation of associate	-	-	(379)	-	(379)	-	(379)
Total comprehensive income for the financial period	-	-	(379)	(2,338)	(2,717)	(8)	(2,725)
<u>Contributions by and distributions to owners</u>							
Conversion of share awards to share capital	5,000	-	-	-	5,000	-	5,000
Share issue expenses	(13)	-	-	-	(13)	-	(13)
Total contributions by and distributions to owners	4,987	-	-	-	4,987	-	4,987
At 30 September 2022	85,270	34,945	(280)	(106,143)	13,792	86	13,878

(C) Condensed interim statements of changes in equity (cont'd)

Company (Unaudited)	Share capital	Accumulated losses	Total equity
	\$'000	\$'000	\$'000
At 1 April 2023	85,270	(74,323)	10,947
Loss for the financial period	-	(941)	(941)
Total comprehensive income for the financial period	-	(941)	(941)
At 30 September 2023	85,270	(75,264)	10,006
At 1 April 2022	80,283	(69,755)	10,528
Profit for the financial period	-	9,530	9,530
Total comprehensive income for the financial period	-	9,530	9,530
<u>Contributions by and distributions to owners</u>			
Conversion of share awards to share capital	5,000	-	5,000
Share issue expenses	(13)	-	(13)
Total contributions by and distributions to owners	4,987	-	4,987
At 30 September 2022	85,270	(60,225)	25,045

(D) Condensed interim consolidated statement of cash flows

	Six months ended	
	30/9/2023	30/9/2022
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Cash flows from operating activities		
Loss before tax	(1,927)	(2,356)
Adjustments for:		
Amortisation of intangible assets	227	290
Depreciation of property, plant and equipment	625	420
Depreciation of investment property	19	19
Depreciation of right-of-use asset	431	358
Unrealised foreign exchange loss/(gain)	183	(364)
Net loss/(gain) on disposal of plant and equipment	2	(1)
Loss on written off of plant and equipment	1	-
Interest income	(178)	(191)
Interest on lease liability	115	41
Interest expense	259	276
Share of results of associates	-	(404)
Operating cash flow before working capital changes	(243)	(1,912)
Working capital changes:		
Inventories	(6)	(40)
Trade and other receivables	1,421	(27)
Contract assets	(1,097)	4,026
Prepayments	95	(139)
Trade and other payables	118	(540)
Contract liabilities	(411)	(5,907)
Cash used in operations	(123)	(4,539)
Income taxes refunded/(paid)	1	(4)
Interest received	5	13
Net cash used in operating activities	(117)	(4,530)
Cash flows from investing activities		
Purchase of plant and equipment	(1,518)	(475)
Additions of intangible assets	(1)	(68)
Proceeds from disposal of plant and equipment	1	1
Net cash used in investing activities	(1,518)	(542)
Cash flows from financing activities		
Decrease in fixed deposit pledged	-	78
Proceeds from bank borrowings	300	-
Repayments of bank borrowings	(420)	(407)
Repayment of lease liabilities	(406)	(475)
Interest paid	(245)	(270)
Net cash used in financing activities	(771)	(1,074)
Net change in cash and cash equivalents	(2,406)	(6,146)
Cash and cash equivalents at beginning of financial period	2,350	9,907
Cash and cash equivalents at end of financial period	(56)	3,761
Cash and cash equivalents comprise:		
Fixed deposit	1,643	1,645
Cash and bank balances	1,200	4,988
Cash and cash equivalents	2,843	6,633
Bank overdraft	(1,336)	(1,315)
Fixed deposit pledged	(1,563)	(1,557)
Cash and cash equivalents in the consolidated cash flows	(56)	3,761

(E) Notes to the condensed interim consolidated financial statements

1. Corporate information

TriTech Group Limited (the “Company”) is a limited liability company, which is incorporated and domiciled in Singapore and is listed on the Catalist Board of Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed interim consolidated financial statements as at and for the six months ended 30 September 2023 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Group are:

- (a) One-stop integrated service provider for smart urban development, covering urban planning, site investigation, design and consultancy, engineering survey, instrumentation and monitoring, project management, construction supervision, data collection, big data analytics, artificial intelligence and cloud computing digital platform;
- (b) One-stop product-technology-design-build-operation service provider for water treatment & environmental protection projects, covering membrane products, smart technologies, engineering solutions, design and consultancy, construction, operation and maintenance;
- (c) Producing Vavie Alkaline drinking water, Vavie Alkaline water dispenser, Vavie CWS (Clean, Wash, Sanitize; and
- (d) Investment holding company.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 September 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

(E) Notes to the condensed interim consolidated financial statements (cont'd)

2. Basis of preparation (cont'd)

2.1 New and amended standards adopted by the Group

There has been no change in the accounting policies and methods of computation adopted by the Group for the current reporting period compared with the audited financial statements for the year ended 31 March 2023, except for the adoption of new or revised SFRS(I) and Interpretations of SFRS(I) (“**INT SFRS(I)**”) that are mandatory for the financial year beginning on or after 1 April 2023. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same of those that applied to the consolidated financial statements as at and for the year ended 31 March 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 4 - Accounting for construction revenue

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 9 - Determination of fair value of the contingent consideration
- Note 13 - Impairment test of intangibles assets and goodwill: key assumptions underlying recoverable amounts

(E) Notes to the condensed interim consolidated financial statements (cont'd)

3. Seasonal operations

The Group's business are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments

- i) Smart Urban Development segment, which comprises one-stop integrated service provider for smart urban development, covering urban planning, site investigation, design and consultancy, engineering survey, instrumentation and monitoring, project management, construction supervision, data collection, big data analytics, artificial intelligence and cloud computing digital platform;
- ii) Water and Environment segment, which comprises one-stop product-technology-design-build-operation service provider for water treatment & environmental protection projects, covering membrane products, smart technologies, engineering solutions, design and consultancy, construction, operation and maintenance; and
- iii) Corporate business, which comprises Group-level corporate services and treasury functions.

These operating segments are reported in a manner consistent with internal reporting provided to the management who are responsible for allocating resources and assessing performance of the operating segments.

(E) Notes to the condensed interim consolidated financial statements (cont'd)

4. Segment and revenue information (cont'd)

4.1 Reportable segments

HY2024	Smart urban development business	Water and environmental business	Corporate	Adjustments	Per consolidated financial statements
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:					
Sales to external customers	13,131	15	-	-	13,146
Inter-segment sales*	773	2	420	(1,195)	-
Total revenue	<u>13,904</u>	<u>17</u>	<u>420</u>	<u>(1,195)</u>	<u>13,146</u>
Results:					
Segment results	285	(704)	(1,312)	-	(1,731)
Finance cost	(145)	-	(229)	-	(374)
Interest income	4	1	173	-	178
Profit/(Loss) before taxation	<u>144</u>	<u>(703)</u>	<u>(1,368)</u>	<u>-</u>	<u>(1,927)</u>
Income tax expense					(1)
Loss for the period					<u>(1,928)</u>
Significant non-cash items:					
Depreciation and amortisation expenses	1,249	29	24	-	1,302
Loss on disposal of plant and equipment	2	-	-	-	2
Loss on written off of plant and equipment	1	-	-	-	1
Foreign exchange loss	<u>6</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>13</u>
As at 30 September 2023					
Capital expenditure:					
Plant and equipment	1,535	1	-	-	1,536
Intangible assets	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Assets and liabilities:					
Assets	<u>20,669</u>	<u>2,271</u>	<u>10,094</u>	<u>-</u>	<u>33,034</u>
Liabilities	<u>13,061</u>	<u>977</u>	<u>16,647</u>	<u>-</u>	<u>30,685</u>

* Inter-segment revenues are eliminated on consolidation

(E) Notes to the condensed interim consolidated financial statements (cont'd)

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

HY 2023	Smart urban development business	Water and environmental business	Corporate	Adjustments	Per consolidated financial statements
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:					
Sales to external customers	11,897	39	-	-	11,936
Inter-segment sales *	142	39	420	(601)	-
Total revenue	<u>12,039</u>	<u>78</u>	<u>420</u>	<u>(601)</u>	<u>11,936</u>
Results:					
Segment results	384	(1,408)	(1,608)	-	(2,632)
Finance cost	(76)	-	(243)	-	(319)
Interest income	2	1	188	-	191
Share of results of associates	-	-	404	-	404
Profit/(Loss) before taxation	<u>310</u>	<u>(1,407)</u>	<u>(1,259)</u>	<u>-</u>	<u>(2,356)</u>
Income tax credit					10
Loss for the period					<u>(2,346)</u>
Significant non-cash items:					
Depreciation and amortisation expenses	1,040	28	19	-	1,087
Foreign exchange gain	-	-	(364)	-	(364)
As at 31 March 2023					
Capital expenditure:					
Plant and equipment	1,196	24	54	-	1,274
Intangible assets	<u>118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118</u>
Assets and liabilities:					
Assets	<u>17,486</u>	<u>3,000</u>	<u>15,166</u>	<u>-</u>	<u>35,652</u>
Liabilities	<u>14,117</u>	<u>719</u>	<u>16,539</u>	<u>-</u>	<u>31,375</u>

* Inter-segment revenues are eliminated on consolidation

(E) Notes to the condensed interim consolidated financial statements (cont'd)

4. Segment and revenue information (cont'd)

4.2 Disaggregation of revenue

	Sale of goods		Services rendered		Total revenue	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Primary geographical market						
Singapore	15	48	13,131	11,888	13,146	11,936
Major product or service line						
Smart urban development business	-	9	13,131	11,888	13,131	11,897
Water and environmental business	15	39	-	-	15	39
	15	48	13,131	11,888	13,146	11,936
Timing of transfer of goods or services						
At a point in time	15	48	-	-	15	48
Over time	-	-	13,131	11,888	13,131	11,888
	15	48	13,131	11,888	13,146	11,936

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 September 2023 and 31 March 2023:

	The Group		The Company	
	As at	As at	As at	As at
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Financial assets at amortised cost	14,729	18,380	10,316	10,230
Financial assets at fair value through profit or loss	126	126	126	126
	14,855	18,506	10,442	10,356
Financial Liabilities				
Financial liabilities at amortised cost	20,394	20,576	12,497	11,491
Financial liabilities at fair value through profit or loss	6,264	6,264	6,264	6,264
	26,658	26,840	18,761	17,755

(E) Notes to the condensed interim consolidated financial statements (cont'd)

6. Loss before taxation

6.1 Significant items

	Six months ended 30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Other income		
Gain on disposal of plant and equipment	-	1
Interest income	178	191
Rental income	69	73
Government grant	73	178
Written back of impairment loss on financial assets	-	38
Insurance claim	45	20
Others	3	17
Expenses		
Amortisation of intangible assets	(227)	(290)
Depreciation of property, plant and equipment	(625)	(420)
Depreciation of investment property	(19)	(19)
Depreciation of right-of-use asset	(431)	(358)
Loss on disposal of plant and equipment	(2)	-
Loss on written off of plant and equipment	(1)	-
Foreign exchange loss	(13)	(22)

(E) Notes to the condensed interim consolidated financial statements (cont'd)

6. Loss before taxation (cont'd)

6.2 Related party transactions

(a) Sales and purchase of services

In addition to the related party information disclosed elsewhere in the interim condensed financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	The Group		The Company	
	Six months ended 30 September		Six months ended 30 September	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$'000	\$'000	\$'000	\$'000
With shareholders				
Consultancy fees charged by shareholders	215	215	215	215
With director				
Consultancy fees charged by a director of the subsidiaries	155	186	-	-
With associate				
Interest income charged to an associate	163	178	163	178

(b) Compensation of key management personnel

	The Group		The Company	
	Six months ended 30 September		Six months ended 30 September	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$'000	\$'000	\$'000	\$'000
Directors' fees	100	100	100	100
Short-term benefits	913	857	330	330
Contributions to the defined contribution plans	57	56	10	10
Total compensation paid to key management personnel	1,070	1,013	440	440
Comprise amount paid to :				
- Directors of the Company	440	440	440	440
- Directors of subsidiaries	554	499	-	-
- Other key management personnel	76	74	-	-
Total compensation paid to key management personnel	1,070	1,013	440	440

(E) Notes to the condensed interim consolidated financial statements (cont'd)

7. Income tax expense/(credit)

The Group calculates the period income tax expenses using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Six months ended 30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	\$'000	\$'000
Deferred income tax expense/(credit) relating to origination and reversal of temporary differences	1	(10)

8. Net asset value

	Group		Company	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value per ordinary share based on issued share capital (SGD cents)	0.19	0.36	0.85	0.93

The net asset value per ordinary share of the Group and the Company as at 30 September 2023 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 1,181,534,398 (31 March 2023: 1,181,534,398).

9. Fair value of financial assets and financial liabilities

9.1 Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(E) Notes to the condensed interim consolidated financial statements (cont'd)

9. Fair value of financial assets and financial liabilities (cont'd)

9.2 Assets and liabilities measured at fair value

	Fair value measurements using			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Group and Company				
30 September 2023				
Assets				
Financial assets at FVTPL				
Investment securities	126	-	-	126
Liabilities				
Financial liabilities at FVTPL				
Contingent consideration	-	-	6,264	6,264
31 March 2023				
Assets				
Financial assets at FVTPL				
Investment securities	126	-	-	126
Liabilities				
Financial liabilities at FVTPL				
Contingent consideration	-	-	6,264	6,264

10. Property, plant and equipment

During the six months ended 30 September 2023, the Group acquired assets amounting to \$1,536,000 (30 September 2022: \$475,000), disposed and written off of assets with net book value of \$196,000 and \$1,000 (30 September 2022: \$Nil and \$Nil) respectively.

(E) Notes to the condensed interim consolidated financial statements (cont'd)

11. Investment property

The Group's investment property consists of factory building held for long-term rental yields and is leased to a third party under operating lease.

	Group and Company	
	As at	As at
	30 September 2023	31 March 2023
	\$'000	\$'000
Cost		
At beginning and end of financial period/year	1,600	1,600
Accumulated depreciation		
At beginning of financial period/year	222	185
Charge for the period/year	19	37
At end of financial period/year	241	222
Net carrying amount	1,359	1,378
Fair value	2,100	2,100

The fair value of investment property as at 31 March 2023 is based on independent external valuation using sales comparison method. As at 30 September 2023, management conducted an assessment of the valuation of the investment property, taking into consideration any significant changes in operating performance of the property during the period and assessed whether movement in market data such as discount rates and capitalisation rates have any significant impact to the valuation of investment property. Based on the assessment, management is of the view that the fair value of the investment property has not materially change from 31 March 2023.

(E) Notes to the condensed interim consolidated financial statements (cont'd)

12. Investments in associate

The Group's investment in associate is summarised as below:

	Group		Company	
	As at 30 September 2023 \$'000	As at 31 March 2023 \$'000	As at 30 September 2023 \$'000	As at 31 March 2023 \$'000
At 1 April	-	6,630	-	7,148
Additions ⁽¹⁾	-	-	-	-
Share of associate's results	-	(6,259)	-	-
Impairment loss	-	-	-	(7,148)
Foreign currency differences	-	(371)	-	-
At 30 September/31 March	-	-	-	-

Name of associate	Country of incorporation / operation	Principal activities	Proportion of ownership interest	
			As at 30 September 2023 %	As at 31 March 2023 %
<i>Held by the Company:</i>				
Tritech Environmental Group Co., Ltd	PRC	Production and sale of membranes for use in waste treatment systems and water treatment systems	46.86	46.86
Tritech Investment and Management Pte Ltd ⁽¹⁾	Singapore	Investment holding company	35	35
<i>Held by Tritech Investment and Management Pte Ltd:</i>				
Tritech Protocol (Singapore) Pte Ltd	Singapore	Wholesale trading of goods	100	-

⁽¹⁾ Amounts deemed insignificant have been rounded to zero.

(E) Notes to the condensed interim consolidated financial statements (cont'd)

13. Intangible assets

Group	Goodwill	Transferable club membership	Intellectual property right	Development expenditures	Software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 March 2023						
Cost	454	31	199	4,859	823	6,366
Accumulated amortisation and impairment loss	(454)	-	(135)	(1,549)	(823)	(2,961)
Net carrying amount	-	31	64	3,310	-	3,405
6 months ended 30 September 2023						
Opening net carrying amount	-	31	64	3,310	-	3,405
Additions	-	-	-	1	-	1
Amortisation charge	-	-	(5)	(222)	-	(227)
Closing net carrying amount	-	31	59	3,089	-	3,179
At 30 September 2023						
Cost	454	31	199	4,860	823	6,367
Accumulated amortisation and impairment loss	(454)	-	(140)	(1,771)	(823)	(3,188)
Net carrying amount	-	31	59	3,089	-	3,179

The carrying amount of intangible assets are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired. The recoverable amount of the cash generating unit ("CGU") which goodwill have been allocated to are determined based on value-in-use calculations, using cash flow projections from financial budgets approved by management covering a five-year period. The recoverable amount is most sensitive to the weighted average cost of capital and terminal value used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

For the purpose of this condensed interim financial statements for half year ended 30 September 2023, management has reviewed and considered the cash flows projections for the CGU. As there were no impairment indicators as at 30 September 2023, no impairment testing was performed.

(E) Notes to the condensed interim consolidated financial statements (cont'd)

14. Trade and other receivables

	The Group		The Company	
	As at 30 September 2023 (Unaudited) \$'000	As at 31 March 2023 (Audited) \$'000	As at 30 September 2023 (Unaudited) \$'000	As at 31 March 2023 (Audited) \$'000
Non-current assets				
Other receivables				
Loans due from associate	5,597	5,519	5,597	5,519
Less: Expected credit losses	(1,380)	(1,380)	(1,380)	(1,380)
	4,217	4,139	4,217	4,139
Current assets				
Trade receivables				
Trade receivables from third parties	2,150	3,461	-	-
Amounts due from subsidiaries	-	-	628	498
	2,150	3,461	628	498
Less: Expected credit losses	(462)	(462)	(386)	(386)
	1,688	2,999	242	112
Other receivables				
GST refundable	16	25	7	12
Other receivables from third parties	684	674	332	321
Less: Expected credit losses	(208)	(208)	-	-
	492	491	339	333
Amounts due from subsidiaries	-	-	5,008	4,869
Amounts due from associate	4,365	4,491	3,778	3,905
Less: Expected credit losses				
- Subsidiaries	-	-	(3,136)	(3,136)
- Associate	(191)	(191)	(170)	(170)
	4,174	4,300	5,480	5,468
Advances to employees	13	8	-	-
Advances payment	34	35	-	-
Deposits	1,281	1,194	37	32
Interest receivable	3	1	-	-
	7,685	9,028	6,098	5,945
Total trade and other receivables	11,902	13,167	10,315	10,084

The loans due from associate bear an effective interest rate of 6.5% (31 March 2023: 6.5%) per annum. The loans and amounts due from associate are pledged with intangible assets for which fair value as at 31 March 2023 is amounted to approximately S\$6,465,174.

(E) Notes to the condensed interim consolidated financial statements (cont'd)

14. Trade and other receivables (cont'd)

The fair value of intangibles assets as at 31 March 2023 is based on independent valuation using income approach. As at 30 September 2023, management conducted an assessment of the valuation of the intangibles assets to assess whether movement in market data such as discount rates and capitalisation rates have any significant impact to the valuation of intangibles assets. Based on the assessment, management is of the view that the fair value of the intangible assets have not materially change from 31 March 2023.

The amounts due from associate mainly comprise of expenses recharged and advances which are unsecured, non-interest bearing and repayable on demand. The Group expects the repayment of \$3,870,000 from associate on or before 31 March 2024. As there were no impairment indicators as at 30 September 2023, no impairment testing was performed.

15. Trade and other payables

	The Group		The Company	
	As at 30 September 2023 (Unaudited) \$'000	As at 31 March 2023 (Audited) \$'000	As at 30 September 2023 (Unaudited) \$'000	As at 31 March 2023 (Audited) \$'000
Trade payables				
Trade payables to third parties	2,249	1,520	-	-
Amount due to associate	314	301	-	-
	2,563	1,821	-	-
Other payables				
Goods and Services Tax ("GST") payable	332	428	-	-
Accrued operating expenses	2,107	3,511	886	1,104
Accrued unutilised leave	322	322	-	-
Deposits received	28	28	27	27
Other payables	2,303	1,370	748	359
Interest payable	863	780	863	780
Advance proceeds from share placement	-	-	-	-
Amounts due to subsidiaries	-	-	2,757	1,860
Amount due to associate	934	931	869	868
Contingent consideration	6,264	6,264	6,264	6,264
Total trade and other payables	15,716	15,455	12,414	11,262

(E) Notes to the condensed interim consolidated financial statements (cont'd)

15. Trade and other payables

Contingent consideration

A Sale and Purchase Agreement (the "Agreement") between Tritech Group Limited (the "Group"), ADAS Group Pte. Ltd. ("ADAS Group"), and Lim Wen Heng Construction (the "Purchaser") was entered into for the sale of entire shareholding of Presscrete Engineering Pte Ltd ("PE"). One of the components of the sales consideration ("Contingent Consideration") is the share of 50% of net profits or net losses after tax, to be generated from PE's 12 Agreed Projects ("Agreed Projects") as stipulated in the Agreement from 1 January 2019 to the final completion of all the 12 Agreed Projects (the "Agreed Period").

In December 2022, the Group and ADAS Group commenced legal action in the General Division of the High Court of the Republic of Singapore against the Purchaser and certain of its directors (collectively, "Defendants") for certain declarations and damages to be assessed by the Court ("Suit"). The Group and ADAS Group's claim is that they have suffered losses and damages arising out of, amongst other bases, the Purchaser's breach of the Agreement from its failure to calculate the net profits or net losses of the Agreed Projects, and consequently the consideration, in accordance with the terms of the Agreement.

On 22 December 2022, the Group and ADAS Group were served with the Defendants' Defence and the Purchaser's Counterclaim. In the Counterclaim, the Purchaser has raised a counterclaim alleging inter alia that the costs budgeted to complete the Agreed Projects at the time the Agreement was entered into, were inaccurate, false or untrue, and an additional counterclaim for a fine imposed on PE for damages caused to an electricity cable. The Purchaser has also raised an alternative counterclaim being payment of the balance consideration. The Group and ADAS Group are defending the sums counterclaimed.

The directors are of the view that the recognition of any contingent consideration / liability in this statements does not constitute an admission or acceptance of the Group's and/or ADAS Group's liability to pay the Purchaser's claims in the Suit and/or pursuant to the Agreement. The Group and ADAS Group will be actively pursuing their claims and defending the counterclaims in the Suit.

16. Borrowings and loans

	As at 30 September 2023		As at 31 March 2023	
	Secured	Unsecured	Secured	Unsecured
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
Amount repayable within one year	1,415	886	1,403	820
Amount repayable after one year	248	5,271	288	5,486
	1,663	6,157	1,691	6,306

The borrowings of the Group comprised finance lease obligations (included in lease liabilities), term loans, working capital loan and 4.96% to 10% (31 March 2023: 4.96% to 10%) interest bearing independent shareholder loan of \$4.5 million (31 March 2023: \$4.5 million). The finance lease obligations are secured by the lessors' title to the leased assets and corporate guarantee from the Company.

The overdraft and 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) corporate guarantees from the Company.

(E) Notes to the condensed interim consolidated financial statements (cont'd)

17. Share capital

	Group and Company			
	As at 30 September 2023		As at 31 March 2023	
	Number of shares '000	\$'000	Number of shares '000	\$'000
Issued and fully paid ordinary shares				
At beginning of financial period/year	1,181,535	85,270	1,014,868	80,283
Placement share	-	-	166,667	5,000
Share issue expenses	-	-	-	(13)
At end of financial period/year	1,181,535	85,270	1,181,535	85,270

Treasury shares and subsidiary holdings

The Company did not have any treasury shares or subsidiary holdings as at 30 September 2023, 31 March 2023 and 30 September 2022.

Outstanding convertibles

As at 30 September 2023, there were a total of 575,500,000 options to selected placees which will entitle them to subscribe for 575,500,000 shares of the Company which represents approximately 48.7% of the current total number of issued shares (excluding treasury shares). The option exercise period has been extended until 7 December 2023, or such other date as the Parties may agree to in writing. Additionally, pursuant to the terms of the Third Supplemental Agreement, in the event that the Options have not been exercised on or prior to 7 December 2023, unless otherwise mutually agreed by all Parties, the Options Exercise Period shall automatically be renewed for a further six months to 7 June 2024. Please refer to the announcement dated 7 June 2023 for further details. The Company did not have any outstanding convertibles as at 30 September 2022.

18. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

(F) Other information required by Appendix 7C of the Catalyst Rules

1. Review

The condensed consolidated statement of financial position of Trittech Group Limited and its subsidiaries as at 30 September 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of performance of the Group

Review of condensed interim consolidated statement of profit or loss of the Group

1H2024 compared with 1H2023

The Group's revenue increased by \$1.2 million from \$11.9 million in 1H2023 to \$13.1 million in 1H2024. The revenue increase was attributed to specific projects within the smart urban development business having reached significant milestones, which led to an increase in revenue.

Cost of sales increased by \$1.4 million from \$8.3 million in 1H2023 to \$9.7 million in 1H2024 mainly attributed to the increased headcount and direct wages, along with increased purchases.

As a result of the above reasons, the Group's gross profit was \$3.4 million in 1H2024 compared to gross profit of \$3.6 million in 1H2023. The gross profit margin decreased by 4.3 percentage point to 26.1% in 1H2024 mainly from the smart urban development business.

Other income decreased by \$0.1 million from \$0.5 million in 1H2023 to \$0.4 million in 1H2024, mainly due to a reduction in government grants received.

Distribution expenses decreased by \$0.1 million from \$0.3 million in 1H2023 to \$0.2 million in 1H2024, mainly due to a reduction in staff-related costs within the water and environmental business.

Administrative expenses decreased by \$0.8 million from \$4.0 million in 1H2023 to \$3.2 million in 1H2024, mainly attributed to a reduction in professional fees, specifically legal fees.

Other expenses decreased by \$0.2 million from \$2.2 million in 1H2023 to \$2.0 million in 1H2024 mainly attributed to the reduction in staff-related costs.

Depreciation and amortisation expenses increased by \$0.2 million from \$1.1 million in 1H2023 to \$1.3 million in 1H2024 mainly attributed to the addition of new equipment and an increased depreciation of the right-of-use-asset.

Share of result of associate was zero in 1H2024 compared to share of profit of associate of \$0.4 million in 1H2023. The associated company incurred a loss in 1H2024. However, no share of loss was recorded as the share of loss of associate exceeded the investment in associate.

As a result of the above, the Group recorded a loss after tax of \$1.9 million in 1H2024 as compared to a loss after tax of \$2.3 million in 1H2023.

(F) Other information required by Appendix 7C of the Catalist Rules (cont'd)

2. Review of performance of the Group (cont'd)

Review of condensed interim statements of financial position of the Group

Non-current assets of the Group amounted to \$15.8 million as at 30 September 2023, an increase of \$0.1 million from \$15.7 million as at 31 March 2023. This increase was mainly due to additional investments in new property, plant and equipment, as well as other receivables. The increase was partially offset by depreciation charges and amortisation expenses totalling \$1.3 million.

Current assets were \$17.2 million as at 30 September 2023. The decrease of \$2.8 million from \$20.0 million as at 31 March 2023 was mainly due to a decrease of \$1.5 million in trade and other receivables and prepayment, along with a decrease in cash and short-term deposits amounting to \$2.4 million. The decrease was partially offset by an increase in contract assets and inventories totalling \$1.1 million.

Current liabilities were \$22.2 million as at 30 September 2023. The decrease of \$0.1 million from \$22.3 million as at 31 March 2023 was mainly due to the decrease of \$0.4 million in contract liabilities, driven by the timing of revenue recognition. The decrease was partially offset by an increase of \$0.3 million in trade and other payable, lease liabilities and bank borrowings.

Non-current liabilities were \$8.4 million as at 30 September 2023. The decrease of \$0.6 million from \$9.0 million as at 31 March 2023 was mainly due to repayment of lease liabilities and bank borrowings.

The Group had a negative working capital of \$5.0 million as at 30 September 2023 as compared to a negative working capital of \$2.3 million as at 31 March 2023. To address the negative working capital and cash flow requirements, the Group has taken the following measures:

- Ensuring on-time projects completion to achieve the projected positive margin and net cash inflows;
- Expecting the repayment at least CNY 20 million (approximately \$3.8 million) from associates by 31 March 2024;
- Anticipating a settlement for contingent consideration, not exceeding the \$6.3 million recorded as of 30 September 2023; and
- Maintaining the Group's ability to exercise the put option for the Second Tranche of Placement Shares as needed to secure timely funds to meet obligations as they arise.

Review of condensed interim consolidated statement of cash flows of the Group

The Group recorded net cash used in operating activities amounting to \$0.1 million in 1H2024. The net cash used in operating activities was mainly due to operating cash outflow before working capital changes of \$0.2 million and net cash inflow of \$0.1 million from working capital changes.

Net cash of \$1.5 million used in investing activities in 1H2024, was mainly due to cash outflow used in purchase of plant and equipment.

Net cash of \$0.8 million used in financing activities in 1H2024, was mainly due to repayment of bank borrowings, lease liabilities and loan interest. This was partially offset by the cash inflow from proceeds from bank borrowings.

(F) Other information required by Appendix 7C of the Catalist Rules (cont'd)

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

No forecast or prospect statement has been previously issued.

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

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

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

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

- 5a. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. This is not required for any audit issue that is a material uncertainty relating to going concern.

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

	Group	
	6 months ended	
	30 September 2023	30 September 2022
Loss attributable to the owners of the Group (S\$)	(1,931,000)	(2,338,000)
Weighted average number of ordinary shares in issue	1,181,534,398	1,120,514,361
Basic and fully diluted loss per share (cents)	(0.16)	(0.21)

Diluted loss per share for the financial periods presented is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive.

(F) Other information required by Appendix 7C of the Catalist Rules (cont'd)

7. 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 current main markets of the Group namely Singapore and the People's Republic of China remain highly competitive, and this has affected the profit margin for the projects that the Group had successfully tendered for. While management expects market conditions to remain tough, the Group has continued to take steps to explore other potential markets in the region to grow its revenue.

While efforts to explore new markets is ongoing, management has taken steps to reduce manpower cost, improve efficiency in its project execution, and enhance our competitiveness. With the steps taken, management is cautiously optimistic that the Group performance will improve moving forward.

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

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and
Nil
- (b)(i) Amount per share (cents)
(Optional) Rate (%)
Not applicable
- (b)(ii) Previous corresponding period (cents)
(Optional) Rate (%)
Not applicable
- (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 received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.
Not applicable

(F) Other information required by Appendix 7C of the Catalist Rules (cont'd)

9. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the financial period ended 30 September 2023 in view of the Company's accumulated losses.

10. 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.

The Company has not obtained a general mandate from its shareholders for interested person transactions. The Company did not enter into any discloseable interested person transactions for the financial period ended 30 September 2023.

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

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

12. Confirmation pursuant to Rule 705(5) of the Catalist Listing Manual.

On behalf of the Board of the Company, we, the undersigned, hereby confirms that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited condensed interim financial statements of the Company and the Group for the half year ended 30 September 2023 to be false or misleading in any material aspect.

13. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules

There were no acquisition or realisation of shares pursuant to Rule 706A during 1H2024.

BY ORDER OF THE BOARD

Dr Wang Xiaoning
Managing Director
10 November 2023

Mr. Zhou Xinping
Executive Director