



**TRITECH GROUP LIMITED**

**(Company Registration No: 200809330R)**

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

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**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THREE MONTHS AND NINE MONTHS ENDED 31 DECEMBER 2014**

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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 Catalyst. 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.

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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					
	Third quarter ended 31 December			9 months ended 31 December		
	2014	2013	Change	2014	2013	Change
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
\$'000	\$'000	%	\$'000	\$'000	%	
<b>Revenue</b>	17,221	14,900	15.6	47,829	40,028	19.5
Cost of sales	(14,389)	(13,597)	5.8	(37,766)	(33,163)	13.9
<b>Gross profit</b>	2,832	1,303	117.3	10,063	6,865	46.6
Other items of income						
Interest income	4	5	(20.0)	11	8	37.5
Other income	28	5,437	(99.5)	9,248	8,285	11.6
	32	5,442	(99.4)	9,259	8,293	11.6
Other items of expenses						
Distribution expenses	(545)	(178)	206.2	(1,313)	(541)	142.7
Administrative expenses	(5,449)	(2,987)	82.4	(25,388)	(8,790)	188.8
Other expenses	(2,025)	(1,163)	74.1	(6,101)	(4,657)	31.0
Finance costs	(357)	(626)	(43.0)	(1,135)	(1,504)	(24.5)
<b>(Loss)/profit before income tax</b>	(5,512)	1,791	n.m.	(14,615)	(334)	4275.7
Income tax (expenses)/refund	(75)	642	n.m.	(511)	868	n.m.
<b>(Loss/profit) after income tax</b>	(5,587)	2,433	n.m.	(15,126)	534	n.m.
<b>Other comprehensive income:</b>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translating foreign operations, net of tax	1,495	2,302	(35.1)	2,424	2,930	(17.3)
<b>Total comprehensive income/(loss) for the financial period</b>	(4,092)	4,735	n.m.	(12,702)	3,464	n.m.
<b>(Loss)/profit attributable to:</b>						
Owners of the parent	(4,859)	2,433	n.m.	(14,218)	534	n.m.
Non-controlling interest	(728)	-	n.m.	(908)	-	n.m.
	(5,587)	2,433	n.m.	(15,126)	534	n.m.
<b>Total comprehensive income/(loss) attributable to:</b>						
Owners of the parent	(3,828)	4,735	n.m.	(12,798)	3,464	n.m.
Non-controlling interest	(264)	-	n.m.	96	-	n.m.
	(4,092)	4,735	n.m.	(12,702)	3,464	n.m.

n.m. not meaningful

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

	Group					
	Third quarter ended 31 December			9 months ended 31 December		
	2014	2013	Change	2014	2013	Change
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
\$'000	\$'000	%	\$'000	\$'000	%	
<b>Other income</b>						
Gain on conversion of convertible bonds	-	-		8,799	-	n.m.
Gain on disposal of property, plant and equipment	-	-		49	-	n.m.
Gain on bargain purchase of acquisition of a subsidiary	-	5,616	n.m.	-	7,556	n.m.
Rental income	21	109	(80.7)	132	327	(59.6)
Sundry income	7	(288)	n.m.	268	402	(33.3)
<b>Cost of sales, distribution, administrative and other expenses</b>						
Fair value of shares (shares issued to Successive Investments and Crescent in relation to the IPO of a subsidiary)	-	-	-	9,902	-	n.m.
Commission to Successive Investment (Introducer shares)	1,000	-	n.m.	1,000	-	n.m.
Depreciation of property, plant and equipment	(1,193)	(884)	35.0	(3,323)	(2,656)	25.1
Operating lease expense	(78)	(63)	23.8	(675)	(612)	10.3
Interest expense	(357)	(605)	(41.0)	(1,135)	(1,434)	(20.8)
Amortisation of land use right	(45)	(14)	221.4	(133)	(43)	209.3
Amortisation of intangible assets	(123)	(26)	373.1	(369)	(79)	367.1
Amortisation of mining rights	(123)	(123)	-	(369)	(369)	-
Loss on disposal of property, plant and equipment	(3)	-	n.m.	-	(43)	n.m.
property, plant and equipment written off	(47)	(85)	(44.7)	(48)	(161)	(70.2)
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	As at	As at	As at
	31/12/2014	31/3/2014	31/12/2014	31/03/2014
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	56,480	52,762	1,108	1,127
Investments in subsidiaries	-	-	72,336	63,345
Land use right	8,370	8,074	-	-
Mining rights	14,373	14,741	-	-
Intangible assets	4,447	4,792	-	-
Prepayment (land)	386	394	-	-
Trade and other receivables	1,049	973	-	-
	<u>85,105</u>	<u>81,736</u>	<u>73,444</u>	<u>64,472</u>
<b>Current assets</b>				
Inventories	6,389	4,625	-	-
Trade and other receivables	15,483	12,017	18,493	17,896
Tax recoverable	1,310	9	-	-
Prepayments	1,899	2,777	38	62
Amounts due from contract customers	48,200	41,690	-	-
Cash and cash equivalents	22,365	20,904	8,478	9,103
	<u>95,646</u>	<u>82,022</u>	<u>27,009</u>	<u>27,061</u>
Less:				
<b>Current liabilities</b>				
Trade and other payables	20,751	15,853	3,438	3,817
Amounts due to contract customers	777	1,610	-	-
Bank borrowings	19,206	16,064	6,065	6,091
Financial liabilities designated at fair value through profit or loss	-	23,383	-	-
Finance lease payables	1,965	2,508	-	-
Current income tax payable	667	673	112	112
	<u>43,366</u>	<u>60,091</u>	<u>9,615</u>	<u>10,020</u>
<b>Net current assets</b>	<u>52,280</u>	<u>21,931</u>	<u>17,394</u>	<u>17,041</u>
<b>Non-current liabilities</b>				
Convertible loan	10,000	-	10,000	-
Bank borrowings	4,153	5,194	3,976	4,891
Finance lease payables	1,577	1,623	-	-
Deferred tax liabilities	8,374	7,709	96	96
	<u>24,104</u>	<u>14,526</u>	<u>14,072</u>	<u>4,987</u>
<b>Net assets</b>	<u>113,281</u>	<u>89,141</u>	<u>76,766</u>	<u>76,526</u>
<b>Equity</b>				
Share capital	68,174	67,174	68,174	67,174
Reserves	37,915	21,967	8,592	9,352
Total equity attributable to owners of the parent	106,089	89,141	76,766	76,526
Non-controlling interests	7,192	-	-	-
<b>Total equity</b>	<u>113,281</u>	<u>89,141</u>	<u>76,766</u>	<u>76,526</u>

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 31 December 2014		As at 31 March 2014	
	Secured (Unaudited) \$'000	Unsecured (Unaudited) \$'000	Secured (Audited) \$'000	Unsecured (Audited) \$'000
Amount repayable within one year	18,274	2,897	39,946 <sup>(1)</sup>	2,009
Amount repayable after one year	15,553	177	6,514	303
	33,827	3,074	46,460	2,312

<sup>(1)</sup>The secured amounts owing as at 31 March 2014 included the fair value of the convertible bonds issued by Terratech Resources Pte. Ltd. ("Terratech Resources") (the "Convertible Bonds"), under which the aggregate principal amount 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 Settlement Amount") then owing by Terratech Resources to the Company was subsequently settled and satisfied by way of the issue and allotment of 156,772,600 ordinary shares in the capital of Terratech Resources (the "Convertible Bonds Settlement Shares") to the Company by way of capitalization of the Convertible Bonds Settlement Amount.

The borrowing of the Group comprised bank guarantees, finance lease obligations, term loans and interest-bearing convertible loan. 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			
	Third quarter ended		9 months ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>				
(Loss)/profit before income tax	(5,512)	1,791	(14,615)	(334)
Adjustments for:				
Amortisation of intangible assets	123	26	369	79
Amortisation of mining rights	123	123	369	369
Amortisation of land use rights	45	14	133	43
Depreciation of property, plant and equipment	1,193	884	3,323	2,656
Gain on conversion of convertible bonds	-	-	(8,799)	-
Loss/(gain) on disposal of property, plant and equipment	3	-	(49)	43
Gain on bargain purchase of acquisition of a subsidiary	-	(5,616)	-	(7,556)
Interest income	(4)	(5)	(11)	(8)
Interest expense	357	605	1,135	1,434
Plant and equipment written off	47	85	48	161
Share issued expenses	1,000	-	1,000	-
Employee share option scheme	-	-	-	66
Operating cash flow before working capital changes	(2,625)	(2,093)	(17,097)	(3,047)
Working capital changes:				
Inventories	915	(1,912)	(1,764)	(2,595)
Trade and other receivables	5,219	(2,608)	(10,052)	(2,932)
Prepayments	1,301	(49)	878	373
Trade and other payables	(12,876)	392	2,830	(5,355)
Cash used in operations	(8,066)	(6,270)	(25,205)	(13,556)
Income taxes refund/paid	155	(137)	81	(459)
Interest received	4	5	11	8
Net cash used in operating activities	(7,907)	(6,402)	(25,113)	(14,007)
<b>Investing activities</b>				
Addition of intangible assets	-	(12)	(8)	(36)
Acquisition of subsidiary, net of cash acquired	-	-	-	341
Purchase of property, plant and equipment	(1,126)	(1,150)	(4,016)	(3,135)
Proceeds from disposal of property, plant and equipment	36	-	83	57
Net cash used in investing activities	(1,090)	(1,162)	(3,941)	(2,773)

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			
	Third quarter ended		9 months ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$'000	\$'000	\$'000	\$'000
<b>Financing activities</b>				
Decrease in fixed deposit pledged	-	-	93	-
Proceeds from bank borrowings	489	-	2,713	4,082
Repayments of bank borrowings	(299)	(157)	(1,032)	(752)
Repayments of finance lease obligations	(718)	(480)	(2,221)	(2,153)
Disposal of shares to non-controlling interest	-	-	35,842	-
Convertible bonds	-	-	(14,584)	-
Proceeds from convertible loan	10,000	-	10,000	-
Proceeds from issuance of shares, net of expenses	-	52	-	21,457
Interest paid	(357)	(605)	(1,135)	(1,433)
Net cash generated from/(used in) financing activities	9,115	(1,190)	29,676	21,201
Net change in cash and cash equivalents	118	(8,754)	622	4,421
Cash and cash equivalents at beginning of financial period	12,677	27,186	11,603	14,021
Currency translation differences	(62)	1,325	509	1,315
Cash and cash equivalents at end of financial period	12,733	19,757	12,734	19,757

Cash and cash equivalents comprise:

	Group	
	Nine month ended	
	(Unaudited)	(Unaudited)
	31/12/2014	31/12/2013
Fixed deposits with bank	5,478	4,453
Cash and bank balances	16,887	20,618
Cash and cash equivalents on consolidated statement of financial position	22,365	25,071
Bank overdraft	(4,478)	(967)
Fixed deposit pledged	(5,154)	(4,347)
Cash and cash equivalents on consolidated statement of cash flow	12,733	19,757

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	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				(711)	(12,120)	(12,831)	-	(12,831)
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 in subsidiaries without loss of control	-	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
Profit/ (loss) for the financial period	-	-	-	-	(4,859)	(4,859)	(728)	(5,587)
Other comprehensive income for the financial period								
Foreign currency differences on translation of foreign operations	-	-	-	1,031	-	1,031	464	1,495
Total comprehensive income for the financial period	-	-	-	1,031	(4,859)	(3,828)	(264)	(4,092)
Issuance of new shares	1,000	-	-	-	-	1,000	-	1,000
Total transactions with owners of the parent	-	-	-	-	-	1,000	-	1,000
Balance at 31.12.2014	68,174	28,746	13,036	1,070	(4,937)	106,089	7,192	113,281



(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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group (Unaudited)</b>								
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)
<b>Other comprehensive income for the financial period</b>								
Foreign currency differences on translation of foreign	-	-	-	-	773	-	-	773
<b>Total comprehensive income for the financial period</b>	-	-	-	-	773	-	(1,917)	(1,144)
<b>Contributions by and distributions to owners of the parent</b>								
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)	-	-	-	-
<b>Total transactions with owners of the parent</b>	1,912	-	-	(55)	-	-	-	1,857
<b>Balance at 30.6.2013</b>	<b>46,625</b>	<b>3,243</b>	<b>890</b>	<b>240</b>	<b>512</b>	<b>-</b>	<b>11,515</b>	<b>63,025</b>
<b>Profit for the financial period</b>	-	-	-	-	-	-	18	18
<b>Other comprehensive income for the financial period</b>								
Foreign currency differences on translation of foreign operations	-	-	-	-	(145)	-	-	(145)
<b>Total comprehensive income for the financial period</b>	-	-	-	-	(145)	-	18	(127)
<b>Contributions by and distributions to owners of the parent</b>								
Issuance of shares	19,518	-	-	-	-	-	-	19,518
Grant of equity settled share options to employees	-	-	66	-	-	-	-	66
<b>Total transactions with owners of the parent</b>	19,518	-	66	-	-	-	-	19,584
<b>Balance at 30.9.2013</b>	<b>66,143</b>	<b>3,243</b>	<b>956</b>	<b>240</b>	<b>367</b>	<b>-</b>	<b>11,533</b>	<b>82,482</b>
<b>Profit for the financial period</b>	-	-	-	-	-	-	2,433	2,433
<b>Other comprehensive income for the financial period</b>								
Foreign currency differences on translation of foreign operations	-	-	-	-	2,302	-	-	2,302
<b>Total comprehensive income for the financial period</b>	-	-	-	-	2,302	-	2,433	4,735
<b>Contributions by and distributions to owners of the parent</b>								
Issuance of shares	83	-	-	-	-	-	-	83
<b>Total transactions with owners of the parent</b>	83	-	-	-	-	-	-	83
<b>Balance at 31.12.2013</b>	<b>66,226</b>	<b>3,243</b>	<b>956</b>	<b>240</b>	<b>2,669</b>	<b>-</b>	<b>13,966</b>	<b>87,300</b>

(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	Revaluation reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Company (Unaudited)					
Balance at 1.4.2014	67,174	3,243	470	5,639	76,526
Loss 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
Convertible preference shares transferred to retained earnings	-	(3,243)	-	3,243	-
Total comprehensive income for the financial period	-	(3,243)	-	3,566	323
Balance at 30.9.2014	67,174	-	470	9,160	76,804
Loss for the financial period	-	-	-	(1,038)	(1,038)
Total comprehensive income for the financial period	-	-	-	(1,038)	(1,038)
Issuance of shares	1,000	-	-	-	1,000
Total transactions with owners of the parent	1,000	-	-	-	1,000
Balance at 31.12.2014	68,174	-	470	8,122	76,766

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	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company (Unaudited)						
Balance at 1.4.2013	44,713	3,243	890	295	5,630	54,771
Profit 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
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	-	(6)	(6)
Total comprehensive income	-	-	-	-	(6)	(6)
Contributions by and distributions to owners of the parent						
Issuance of shares	83	-	-	-	-	83
Total transactions with owners of the parent	83	-	-	-	-	83
Balance as at 31.12.2013	66,226	3,243	956	240	5660	76,325

(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 September 2014 to 31 December 2014 are as follows:-

Ordinary shares

	Number of shares	\$
Issued and fully paid ordinary shares as at 30 September 2014	773,149,186	67,174,090
Allotment and issue of new ordinary shares to Successive Investments Limited	5,813,000	999,836
Issued and fully paid ordinary shares as at 31 December 2014	778,962,186	68,173,926

Warrants

As at 31 December 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 31 December 2013, there were no outstanding warrants.

Performance Share Plan

On 26 November 2014, the Company had made grants aggregating to 4,950,000 shares Awards to Directors and employees of the Group under the Trittech Group Performance Share Plan. The Company did not make any shares grants of Awards as at 31 December 2013.

Treasury shares

The Company did not have any outstanding treasury shares as at 31 December 2014 and 31 December 2013.

Convertible Loan

On 21 September 2014, the Company had entered into a convertible loan agreement with certain individual (“the Lenders”), for the grant by the Lenders of interest-bearing convertible loans of up to \$20,000,000 in aggregate principal amount to the Company. On 28 October 2014, the Company had drawn down S\$10,000,000 of the convertible loan. A maximum of up to 149,783,546 new ordinary shares comprising Loan shares and Interest shares of the Company are to be issued based on the loan conversion price of S\$0.21 and minimum interest conversion price of S\$0.11 for each new share. As at 31 December 2013, the Company did not have any convertible loan.

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 31.12.2014	As at 31.03.2014
Total number of issued shares excluding treasury shares	778,962,186	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 period 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 nine months financial period ended 31 December 2014 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.

	3Q2015	3Q2014	9M2015	9M2014
(a) Basic (loss)/earnings per share (SGD cents)	(0.63)	0.71	(1.84)	0.16
(b) Diluted (loss)/earnings per share (SGD cents)	(0.63)	0.71	(1.84)	0.16

- (a) Basic loss per share of the Group in 3Q2015 and 9 months financial period ended 31 December 2014 ("9M2015") are calculated based on the weighted average number of ordinary shares in issue of 774,058,128.

Basic earnings per share of the Group in 3Q2014 and 9 months financial period ended 31 December 2013 ("9M2014") is calculated based on the weighted average number of ordinary shares in issue of 340,890,726.

- (b) Diluted loss per share of the Group in 3Q2015 and 9M2015 are the same as the basic loss per share because the potential ordinary shares to be converted under any convertible securities are anti-dilutive.

Diluted earnings per share of the Group in 3Q2014 and 9M2014 are the same as the basic earnings per share as there was no potentially dilutive securities as at 31 December 2013.

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	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Net asset value per ordinary share based on issued share capital (SGD cents)	13.62	22.58	9.85	19.74

The net asset value per ordinary share of the Group and the Company as at 31 December 2014 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 778,962,186 (31 December 2013: 386,574,593).

8. A review of the performance of the Group, to for a reasonable the extent necessary 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 31 December 2014 ("3Q2015") vs financial period ended 31 December 2013 ("3Q2014")

The Group's revenue increased by \$2.3 million from \$14.9 million in 3Q2014 to \$17.2 million in 3Q2015. The increase was mainly due to the increase in revenue from the engineering business of \$3.0 million and resources business of \$2.3 million offset by the decrease in revenue from the water-related and environmental business of \$3.0 million.

The Group's gross profit increased by \$1.5 million from \$1.3 million in 3Q2014 to \$2.8 million in 3Q2015. The gross profit margin increased from 8.7% in 3Q2014 to 16.4% in 3Q2015. The increase was mainly due to higher gross profit margin generated from the new projects undertaken by the engineering business.

The Group's other income decreased by \$5.41 million from \$5.44 million in 3Q2014 to \$0.03 million in 3Q2015 mainly due to a one-off gain on bargain purchase arising from the acquisition of Anhui Clean Environment Biotechnology Co. Ltd ("Anhui Clean") in PRC in 3Q2014.

Distribution expenses increased by \$0.3 million from \$0.2 million in 3Q2014 to \$0.5 million in 3Q2015 mainly due to an increase in transportation expenses and depreciation of motor vehicles for the water-related business.

The Group's administrative expenses increased by \$2.4 million from \$2.9 million in 3Q2014 to \$5.4 million in 3Q2015. The increase in administrative expenses was mainly due to (1) shares issued expenses of \$1.0 million in relation to 5,813,000 new shares issued to Successive Investment Limited (2) increase in management's salary and wages of \$0.5 million and (3) increase in depreciation charges of property, plant and equipment of \$0.3 million and office expenses of \$0.6 million.

Other expenses increased by \$0.8 million from \$1.2 million in 3Q2014 to \$2.0 million in 3Q2015 mainly due to increase in foreign exchange losses of \$0.3 million, consultancy fee of \$0.2 million, employees' salary and related costs of \$0.2 million and amortisation of intangible assets of \$0.1 million.

Finance costs decreased by \$0.3 million from \$0.6 million in 3Q2014 to \$0.3 million in 3Q2015. 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 \$0.3 million from \$0.9 million in 3Q2014 to \$1.2 million in 3Q2015 was mainly due to the purchase of new machinery and equipment.

As a result of the above, the Group recorded a loss after tax of \$5.6 million in 3Q2015 as compared to a profit after tax of \$2.4 million in 3Q2014.

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 \$85.1 million as at 31 December 2014, an increase of \$3.4 million from \$81.7 million as at 31 March 2014. The increase was due to increase in property, plant and equipment of \$3.7 million and increase in land use rights of \$0.3 million, partially offset by the decrease in intangible assets of \$0.3 million and mining rights of \$0.3 million as a result of an amortization charge of \$0.6 million.

Current assets which comprised inventories, trade and other receivables, tax recoverable, prepayments, amounts due from contract customers and cash and cash equivalents, were \$95.6 million as at 31 December 2014. This represents an increase of \$13.6 million from \$82.0 million as at 31 March 2014. The increase was mainly due to the increase in inventories, trade and other receivables, tax recoverable, amounts due from contract customers and cash and cash equivalents. The increase in inventories by \$1.7 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 \$3.4 million and tax recoverable of \$1.3 million were mainly due to its water-related and environmental business in PRC. The increase of \$6.5 million in amount due from contract customers was mainly due to its engineering business and water-related and environmental business in PRC. Cash and cash equivalent increased by \$1.5 million mainly due to proceeds from convertible loan. The increase was partially offset by a decrease in prepayment of \$0.8 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 \$43.3 million as at 31 December 2014, a decrease of \$16.7 million from \$60.0 million as at 31 March 2014 due mainly to a decrease in the derecognition of financial liabilities designated at fair value through profit or loss of \$23.4 million and decrease in finance lease payable and amount due to contract customer of \$1.3 million offset by an increase in trade and other payables of \$4.9 million from the engineering business and water related and environmental business in PRC. The increase in bank borrowing of \$3.1 million was due to increase bank borrowing by water related and environmental business in PRC.

Non-current liabilities were \$24.1 million as at 31 December 2014, an increase of \$9.6 million from \$14.5 million as at 31 March 2014. This was mainly due to the convertible loan financing of \$10.0 million and increase in deferred taxation of \$0.7 million offset by the decrease in finance lease payables and bank borrowings amounting to \$1.1 million.

The Group had a positive working capital of \$52.3 million as at 31 December 2014 as compared to \$21.9 million as at 31 March 2014.



## REVIEW OF CASH FLOW STATEMENT OF THE GROUP

Financial period ended 31 December 2014 (“3Q2015”) vs financial period ended 31 December 2013 (“3Q2014”)

The Group had a net cash used in operating activities amounted to \$7.9 million in 3Q2015. The net cash used in operating activities in 3Q2015 was mainly due to an operating cash outflow of \$2.6 million before working capital changes and an decrease in inventories of its marble products and those held by its water and environmental business in PRC and decrease in trade and other receivables as well as payments arising from its water-related and environmental business in PRC.

Net cash of \$1.1 million was used in investing activities in 3Q2015, mainly for the purchase of property, plant and equipment for the Group’s businesses.

Net cash of \$9.1 million generated from financing activities in 3Q2015 was mainly due to a combined cash inflow proceeds from convertible loan and bank borrowings of \$10.5 million, offset by the repayment of bank borrowings, interest payment and payment of finance lease obligations of \$1.4 million.

**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 November 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. As at 31 January 2015, the order book for the engineering business was approximately \$182 million as the Group continues to secure new contracts from its major customers.

The Group has built its own unique competitive water-related products in the water treatment membrane technology and real-time water quality and environmental monitoring technology, to a better position to grasp the market potential. The Group’s water business is developing towards being one of the leading water-related service providers in Singapore and the region.

For full commentary on the Group’s marble business, please refer to the financial results announcement of Terratech in respect of third quarter and nine months ended 31 December 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 a 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 31 December 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 follows:

	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	8,665 <sup>(1)</sup>	1,265
<b>TOTAL</b>	<b>10,000</b>	<b>8,735</b>	<b>1,265</b>

(1) The amount allocated for business expansion had been utilized mainly for the increase in paid up capital of Anhui Clean of S\$4.4 million, capital expenditure of S\$1.6 million and working capital of S\$2.6 million.

**15 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 3Q2015 and nine months ended 31 December 2014 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Dr Wang Xiaoning

Managing Director

11 February 2015