



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 SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2015

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

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”) for compliance with the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement. The 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.

	Three months ended 30 September			Six months ended 30 September		
	2015 (unaudited) S\$'000	2014 (Restated) (unaudited) S\$'000	Change %	2015 (unaudited) S\$'000	2014 (Restated) (unaudited) S\$'000	Change %
Revenue	2,675	32	n.m.	5,206	42	n.m.
Cost of sales	(2,617)	(409)	n.m.	(5,057)	(815)	n.m.
Gross profit/(loss)	58	(377)	n.m.	149	(773)	n.m.
<i>Other items of income</i>						
Other income	369	61	n.m.	452	151	n.m.
<i>Other items of expenses</i>						
Distribution expenses	(35)	(31)	13	(73)	(82)	(11)
Administrative expenses	(969)	(3,343)	(71)	(2,044)	(4,402)	(54)
Other expenses	-	-	-	-	(416)	(100)
Finance costs	(6)	(55)	(89)	(17)	(370)	(95)
Loss before income tax	(583)	(3,745)	(84)	(1,533)	(5,892)	(74)
Income tax expense	-	-	-	-	-	-
Loss after income tax	(583)	(3,745)	(84)	(1,533)	(5,892)	(74)
Other comprehensive income:						
Item that may be reclassified						
subsequently to profit or loss:						
Exchange differences arising from translation of foreign operations	(408)	(22)	n.m.	(669)	2	n.m.
Other comprehensive income/(loss) for the financial period, net of tax	(408)	(22)	n.m.	(669)	2	n.m.
Total comprehensive loss for the financial period/year	(991)	(3,767)	(74)	(2,202)	(5,890)	(63)
Profit/(Loss) attributable to:						
Owners of the parent	(636)	(3,745)	(83)	(1,602)	(5,892)	(73)
Non-controlling interest	53	-	100	69	-	100
	(583)	(3,745)	(84)	(1,533)	(5,892)	(74)
Total comprehensive profit/(loss) attributable to:						
Owners of the parent	(1,047)	(3,767)	(72)	(2,272)	(5,890)	(61)
Non-controlling interest	56	-	100	70	-	100
	(991)	(3,767)	(74)	(2,202)	(5,890)	(63)

n.m. denotes not meaningful

Note: Restatement was due to reversal of fair value gain on derivative financial instruments of S\$8.8 million previously included in "other income" which was reclassified to share premium.

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:

	Three months ended 30 September			Six months ended 30 September		
	2015 (unaudited) S\$'000	2014 (Restated) (unaudited) S\$'000	Change %	2015 (unaudited) S\$'000	2014 (Restated) (unaudited) S\$'000	Change %
Other income						
Bad debts written back	153	-	n.m.	153	-	n.m.
Reversal of provision of impairment of trade receivables	141	-	n.m.	141	-	n.m.
Foreign exchange gain	43	69	(38)	125	69	81
Sundry income	33	(8)	n.m.	33	82	(59)
Cost of sales, distribution, administrative and other expenses						
Depreciation of property, plant and equipment	(166)	(151)	10	(334)	(298)	12
Amortisation of intangible assets	(4)	(5)	(20)	(9)	(11)	(18)
Operating lease expense	(39)	(40)	(3)	(74)	(76)	(3)
Interest expense	(6)	(55)	(89)	(17)	(370)	(95)

n.m. denotes not meaningful

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

	Group		Company	
	As at 30.9.15	As at 31.3.15	As at 30.9.15	As at 31.3.15
	(unaudited) S\$'000	(audited) S\$'000	(unaudited) S\$'000	(audited) S\$'000
Non-current assets				
Property, plant and equipment	5,240	5,536	-	-
Intangible assets	687	719	-	-
Goodwill	1,363	1,363	-	-
Investments in subsidiaries	-	-	32,573	24,543
Prepayments	326	378	-	-
	<u>7,616</u>	<u>7,996</u>	<u>32,573</u>	<u>24,543</u>
Current assets				
Inventories	3,365	3,517	-	-
Trade receivables	1,129	932	6	-
Amounts due from contract customers	466	274	-	-
Prepayments, deposits and other receivables	474	1,374	17	205
Due from a fellow subsidiary	-	223	-	-
Due from a subsidiary	-	-	5,794	12,808
Fixed deposit pledged	99	99	-	-
Cash and cash equivalents	1,398	2,888	295	2,066
	<u>6,931</u>	<u>9,307</u>	<u>6,112</u>	<u>15,079</u>
Less :				
Current liabilities				
Trade payables	921	304	-	69
Other payables and accruals	959	1,653	367	397
Bank borrowing	-	336	-	-
Finance lease payables	154	218	-	-
	<u>2,034</u>	<u>2,511</u>	<u>367</u>	<u>466</u>
Net current assets	<u>4,897</u>	<u>6,796</u>	<u>5,745</u>	<u>14,613</u>
Non-current liability				
Finance lease payables	107	184	-	-
	<u>107</u>	<u>184</u>	<u>-</u>	<u>-</u>
Net assets	<u>12,406</u>	<u>14,608</u>	<u>38,318</u>	<u>39,156</u>
Capital and reserves				
Share capital	6,150	6,150	6,150	6,150
Reserves	6,056	8,328	32,168	33,006
Equity attributable to owners of the parent	<u>12,206</u>	<u>14,478</u>	<u>38,318</u>	<u>39,156</u>
Non-controlling interest	200	130	-	-
Total equity	<u>12,406</u>	<u>14,608</u>	<u>38,318</u>	<u>39,156</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.

	Group			
	As at 31.09.15		As at 31.03.15	
	(unaudited)		(audited)	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable within one year	154	-	218	336
Amount repayable after one year	107	-	184	-
	261	-	402	336

Note:

The banking facilities of the Group comprised bank borrowing and finance lease obligations. The finance lease obligations are secured by the lessors' title to the leased assets together with the fixed deposits. The bank borrowing is supported by personal guarantees given by the directors of a subsidiary.

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	Group Three months ended		Group Six months ended	
	30.9.15	30.9.14 (Restated)	30.9.15	30.9.14 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities:				
Loss before income tax	(583)	(3,745)	(1,533)	(5,892)
Adjustments for:				
Amortisation of intangible assets	4	5	9	11
Bad debts written back	(153)	-	(153)	-
Depreciation of property, plant and equipment	166	151	334	298
Interest expense	6	55	17	370
Reversal of provision of impairment of trade receivables	(141)	-	(141)	-
Operating cash flows before working capital changes	(701)	(3,534)	(1,467)	(5,213)
Working capital changes:				
Inventories	9	552	(60)	513
Trade receivables	(243)	(275)	(57)	(243)
Prepayments, deposits and other receivables	415	1,212	1,023	887
Amounts due from contract customers	(93)	-	(188)	-
Amount due from a fellow subsidiary	-	-	219	-
Trade payables	762	504	615	415
Other payables and accruals	(1,013)	(681)	(646)	81
Amount due to immediate holding company	-	116	-	2,200
Cash used in operations	(864)	(2,106)	(561)	(1,360)
Interest paid	(6)	(55)	(17)	(370)
Income tax refund	-	49	-	66
Net cash used in operating activities	(870)	(2,112)	(578)	(1,664)
Investing activities:				
Purchases of property, plant and equipment	(201)	(160)	(316)	(417)
Fixed deposit pledged	-	(7)	-	85
Net cash used in investing activities	(201)	(167)	(316)	(332)
Financing activities:				
Proceeds from issue of shares	-	10,005	-	10,005
Share issue expenses	-	(1,494)	-	(1,494)
Repayments of bank borrowing	(330)	-	(330)	-
Repayments of finance lease obligations	(56)	(121)	(142)	(433)
Net cash from/(used in) financing activities	(386)	8,390	(472)	8,078
Net change in cash and cash equivalents	(1,457)	6,111	(1,366)	6,082
Cash and cash equivalents at beginning of financial period	2,859	2,486	2,888	2,505
Currency translation differences	(4)	(24)	(124)	(14)
Cash and cash equivalents at end of financial period	1,398	8,573	1,398	8,573

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 comprise:

Unaudited

	Group	
	Six months ended	
	30.9.15	30.9.14
	S\$'000	(Restated) S\$'000
Fixed deposit with bank	99	106
Cash and bank balances	1,398	8,573
	1,497	8,679
Fixed deposit pledged	(99)	(106)
Cash and cash equivalents on consolidated statement of cash flow	1,398	8,573

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 1.7.2015	6,150	39,545	157	376	(32,975)	13,253	144	13,397
Profit/(Loss) for the financial year	-	-	-	-	(636)	(636)	53	(583)
Other comprehensive income for the financial year								
Foreign currency differences on translation of foreign operations	-	-	-	(411)	-	(411)	3	(408)
Total comprehensive loss for the financial year	-	-	-	(411)	(636)	(1,047)	56	(991)
Total transactions with owners of the parent	-	-	-	-	-	-	-	-
Balance at 30.9.2015	6,150	39,545	157	(35)	(33,611)	12,206	200	12,406

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	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 1.7.2014	4,300	-	90	141	(21,892)	(17,361)	-	(17,361)
Loss for the financial year	-	-	-	-	(3,745)	(3,745)	-	(3,745)
Other comprehensive income for the financial year								
Foreign currency differences on translation of foreign operations	-	-	-	(22)	-	(22)	-	(22)
Total comprehensive loss for the financial year	-	-	-	(22)	(3,745)	(3,767)	-	(3,767)
Contributions by and distributions to owners of the parent								
Issuance of share from restructuring exercise	-	4,136	-	-	-	4,136	-	4,136
Adjustment arising from restructuring exercise	-	430	-	-	-	430	-	430
Issue of new shares in connection with initial public offering	435	9,570	-	-	-	10,005	-	10,005
Share issue expenses	-	(1,494)	-	-	-	(1,494)	-	(1,494)
Issue of shares to the Sponsor	52	1,148	-	-	-	1,200	-	1,200
Issue of shares upon conversion of convertible bonds	1,363	25,755	(90)	-	-	27,028	-	27,028
Total transactions with owners of the parent	1,850	39,545	(90)	-	-	41,305	-	41,305
Balance at 30.9.2014	6,150	39,545	-	119	(25,637)	20,177	-	20,177

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 S\$'000	Share premium S\$'000	Other reserves S\$'000	Accumulated losses S\$'000	Total S\$'000
Company (unaudited)					
Balance at 1.7.2015	6,150	39,545	157	(7,081)	38,771
Loss for the financial year	-	-	-	(453)	(453)
Total comprehensive loss for the financial year	-	-	-	-	-
Total transactions with owners of the parent	-	-	-	-	-
Balance at 30.9.2015	6,150	39,545	157	(7,534)	38,318
Company (unaudited)					
Balance at 1.7.2014	4,300	-	-	(697)	3,603
Loss for the financial year	-	-	-	(3,659)	(3,659)
Total comprehensive loss for the financial year	-	-	-	(3,659)	(3,659)
Contributions by and distributions to owners of the parent					
Issuance of share from restructuring exercise	-	4,136	-	-	4,136
Adjustment from restructuring exercise	-	430	-	-	430
Issue of new shares in connection with initial public offering	435	9,570	-	-	10,005
Share issue expenses	-	(1,494)	-	-	(1,494)
Issue of shares to the Sponsor	52	1,148	-	-	1,200
Issue of shares upon conversion of convertible bonds	1,363	25,755	-	-	27,118
Total transactions with owners of the parent	1,850	39,545	-	-	41,395
Balance at 30.9.2014	6,150	39,545	-	(4,356)	41,339

- 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 30 June 2015	615,042,003	6,150,420
As at 30 September 2015	615,042,003	6,150,420

The Company did not have any outstanding options, convertibles or treasury shares as at 30 September 2015 and 30 September 2014.

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

	As at 30.09.15	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 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 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 period 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.

	Three months ended		Six months ended	
	30.09.15 (Unaudited)	30.09.14 (Unaudited) (Restated)	30.09.15 (Unaudited)	30.09.14 (Unaudited) (Restated)
(a) Basic loss per ordinary share (SGD cents)	(0.10)	(0.67)	(0.26)	(1.05)
(b) Diluted loss per ordinary share (SGD cents)	(0.10)	(0.67)	(0.26)	(1.05)

- (a) Basic loss per share of the Group for the three months and six months ended 30 September 2015 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 three months and six months ended 30 September 2014 are calculated based on the weighted average number of ordinary shares in issue of 560,023,071.

- (b) Diluted loss per share for the three months and six months ended 30 September 2015 and 30 September 2014 is the same as the basic loss per share as there were no potentially dilutive securities as at 30 September 2015 and 30 September 2014.

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

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

	Group		Company	
	30.09.15 (Unaudited)	31.03.15 (Audited)	30.09.15 (Unaudited)	31.03.15 (Audited)
Net asset value per ordinary share based on issued share capital (SGD cents)	1.98	2.35	6.23	6.37

The net asset value per ordinary share of the Group and the Company as at 30 September 2015 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 period ended 30 September 2015 ("2Q2015") vs financial period ended 30 September 2014 ("2Q2016")

The Group's revenue increased by S\$2.65 million from S\$0.03 million in 2Q2015 to S\$2.68 million in 2Q2016 due to increased revenue contribution from its PRC operations arising from the marble sales of S\$0.04 million and interior & decoration services revenue of S\$2.61 million from 陕西恒宇建筑装饰工程有限公司 ("Hengyu") which was acquired by the Group in December 2014. As such, the Group reverted from a gross loss of S\$0.4 million in 2Q2015 to a gross profit of S\$0.06 million in 2Q2016.

Other income increased by S\$0.31 million from S\$0.06 million in 2Q2015 to S\$0.37 million in 2Q2016 mainly due to bad debts written back of S\$0.15 million, reversal of provision of impairment loss of trade receivables of S\$0.14 million and increase in rental income of S\$0.02 million in 2Q2016.

Administrative expenses decreased by S\$2.37 million from S\$3.34 million in 2Q2015 to S\$0.97 million in 2Q2016 mainly due to the absence of one-off professional fees incurred in connection with the Company's listing on the Catalist in July 2014 of S\$2.17 million incurred in 2Q2015 together with the decrease in GST expenses and office expenses of S\$0.10 million and S\$0.32 million respectively, which was partially offset by the increase in directors' remunerations of S\$0.06 million arising from additional directors being appointed following the Company listing and an increase in depreciation of S\$0.16 million.

Finance costs decreased by S\$0.05 million from S\$0.06 million in 2Q2015 to S\$0.01 million in 2Q2016 mainly due to absence of interest payment on the convertible bonds, which had been converted in connection with the Company's listing on the Catalist in July 2014.

As a result of the aforementioned, the Group recorded a net loss of S\$0.58 million in 2Q2016 as compared to a net loss of S\$3.75 million in 2Q2015.

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\$0.38 million to S\$7.62 million as at 30 September 2015 from S\$8.0 million as at 31 March 2015. The decrease was mainly due to depreciation charge of S\$0.34 million and an exchange realignment loss of S\$0.36 million, partially offset by purchase of property, plant and equipment of S\$0.32 million.

Current assets decreased by S\$2.37 million from S\$9.3 million as at 31 March 2015 to S\$6.93 million as at 30 September 2015. The decrease was mainly due to the decrease in inventories of S\$0.15 million, decrease in prepayment, deposit and other receivables of S\$0.9 million, decrease in amount due from a fellow subsidiary of S\$0.22 million and decrease in cash and cash equivalents of S\$1.49 million which were partially offset by the increase in trade receivables of S\$0.2 million and the amount due from contract customers of S\$0.19 million.

Current liabilities decreased by S\$0.48 million from S\$2.51 million as at 31 March 2015 to S\$2.03 million as at 30 September 2015. The decrease was mainly due to decrease in other payables and accruals of S\$0.69 million, decrease in bank borrowing of S\$0.34 million and finance lease payables of S\$0.06 million which were partially offset by the increase in trade payables of S\$0.61 million.

Non-current liabilities decreased by S\$0.08 million from S\$0.18 million as at 31 March 2015 to S\$0.1 million as at 30 September 2015 due to repayments of finance lease payables.

As a result, the Group had net assets of S\$12.4 million as at 30 September 2015.

REVIEW OF STATEMENT OF CASH FLOWS

Net cash used in operating activities of S\$0.87 million in 2Q2016 was mainly due to negative operating cash flows before working capital changes of S\$0.7 million after taking into account the changes in working capital arising from decrease in inventories of S\$0.01 million, increase in trade receivables of S\$0.24 million, decrease in prepayment, deposits and other receivables of S\$0.42 million, increase in amounts due from contract customers of S\$0.1 million, increase in trade payables of S\$0.76 million and decrease in other payables and accruals of S\$1.01 million.

Net cash used in investing activities of S\$0.2 million in 2Q2016 was due to the purchase of property, plant and equipment of S\$0.2 million.

Net cash flows used in financing activities of S\$0.39 million in 2Q2016 was due to repayments of bank borrowing of S\$0.33 million and finance lease payables of S\$0.06 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.

The Group has normalised its marble extraction works at Hill 2B and is resuming to build up its stock pile from this hill. Hill 2A had started marble extraction works in June 2015 and is currently expanding the size of the extraction platform. Hill 1 had commenced marble extraction works in October 2015. Today, the marble qualities extracted are meeting or exceeding expectation.

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 2Q2016.

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 period.

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

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

Use of funds/cash for the quarter:-

In 2Q2016, 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	105	182	(77)	(a)
Payments for property, plant and equipment	192	344	(152)	(b)
Royalty and tributes fees	10	11	(1)	
Upkeep of equipment and motor vehicles	16	16	-	
General working capital	262	275	(13)	
Total	585	828	(243)	

- Actual expenditure for excavation and production activities decreased due mainly to expenditure incurred being lower than previously budgeted.
- Actual payments for property, plant and equipment decreased due mainly to the cost incurred for installation of electrical substations which were lower than previously budgeted.

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

For the next immediate quarter (financial period from 1 October 2015 to 31 December 2015 ("3Q2016")), 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	92
Payments for property plant and equipment	106
Royalty and tributes fees	10
Upkeep of equipment and motor vehicles	13
General working capital	256
Total	477

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 Group's actual rate of production of marble. Accordingly, in the event that the Group's actual rate of production of marble changes, the Group's use of funds/cash for production activities will change as well.

15. 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.

16. 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.

2Q 2016			1Q 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)
July 2015	500	89	1,600	214	4,800	489
August 2015	1,000	114				
September 2015	1,700	72				

Hill 2A

July 2015	8,100	-	12,400	-	32,000	-
August 2015	8,800	-				
September 2015	2,700	-				

Hill 1

July 2015	2,800	-	9,800	-	19,700	-
August 2015	-	-				
September 2015	7,100	-				

Total cash used for excavation and production activities at Gua Musang Quarry was S\$0.1 million in 2Q2016.

17. 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.

There are no material updates as at 30 September 2015 to the QPR.

18. Confirmation pursuant to Rule 705(5) 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 unaudited financial statements for the three months and six months ended 30 September 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr. Loh Chang Kaan

Chief Executive Officer and Executive Director

13 November 2015