



TRITECH GROUP LIMITED

(Company Registration No: 200809330R)

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

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

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 & Q4), 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

	Third quarter ended 31 December			Nine months ended 31 December		
	2018	2017	Change	2018	2017	Change
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>Continuing operations</u>						
Revenue	13,499	18,282	(26.2)	44,084	53,866	(18.2)
Cost of sales	(11,698)	(15,051)	(22.3)	(36,348)	(45,294)	(19.8)
Gross profit	1,801	3,231	(44.3)	7,736	8,572	(9.8)
Other income	159	442	(64.0)	519	866	(40.1)
Distribution expenses	(184)	(256)	(28.1)	(599)	(796)	(24.7)
Administrative expenses	(3,006)	(3,378)	(11.0)	(9,338)	(10,921)	(14.5)
Other expenses	(593)	(1,496)	(60.4)	(2,684)	(8,586)	(68.7)
Finance costs	(774)	(590)	31.2	(2,137)	(3,167)	(32.5)
Share of results of associates	-	31	n.m.	-	-	-
Loss before taxation	(2,597)	(2,016)	28.8	(6,503)	(14,032)	(53.7)
Income tax credit/(expense)	2	(118)	n.m.	45	(112)	n.m.
Loss from continuing operations, net of income tax	(2,595)	(2,134)	21.6	(6,458)	(14,144)	(54.3)
<u>Discontinued operation</u>						
Gain on disposal of 52.24% economic interest in a subsidiary	-	-	-	-	11,134	n.m.
Loss from discontinued operation, net of income tax	-	-	-	-	(1,761)	n.m.
Loss for the financial period	(2,595)	(2,134)	21.6	(6,458)	(4,771)	35.4
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences realised on loss of control in subsidiaries reclassified to profit or loss	-	-	-	-	(357)	n.m.
Exchange differences on translating foreign operations, net of tax	(11)	69	n.m.	(344)	(112)	207.1
Total comprehensive income for the financial period	(2,606)	(2,065)	26.2	(6,802)	(5,240)	29.8
Loss attributable to:						
Owners of the parent						
Loss from continuing operations	(2,577)	(2,130)	21.0	(6,410)	(14,202)	(54.9)
Profit from discontinued operation	-	-	-	-	10,184	n.m.
Loss for the financial period attributable to owners of the Company	(2,577)	(2,130)	21.0	(6,410)	(4,018)	59.5
Non-controlling interest						
(Loss)/Profit from continuing operations	(18)	(4)	350.0	(48)	58	n.m.
Loss from discontinued operation	-	-	-	-	(811)	n.m.
Loss for the financial period attributable to non-controlling interests	(18)	(4)	350.0	(48)	(753)	(93.6)
Loss for the financial period	(2,595)	(2,134)	21.6	(6,458)	(4,771)	35.4
Total comprehensive income attributable to:						
Owners of the parent						
	(2,588)	(2,061)	25.6	(6,754)	(4,183)	61.5
Non-controlling interest						
	(18)	(4)	350.0	(48)	(1,057)	(95.5)
Total comprehensive income for the financial period	(2,606)	(2,065)	26.2	(6,802)	(5,240)	29.8

n.m. not meaningful

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

	Third quarter ended 31 December			Nine months ended 31 December		
	2018	2017	Change	2018	2017	Change
	(Unaudited) \$'000	(Unaudited) \$'000	%	(Unaudited) \$'000	(Unaudited) \$'000	%
Other income						
Gain on disposal of plant and equipment	3	33	(90.9)	56	40	40.0
Interest income	7	8	(12.5)	16	18	(11.1)
Writeback of liability	-	-	-	135	127	6.3
Rental income	19	23	(17.4)	43	127	(66.1)
Sundry income	130	378	(65.6)	269	554	(51.4)
Cost of sales, distribution, administrative and other expenses						
Depreciation of property, plant and equipment	(1,127)	(1,178)	(4.3)	(3,354)	(3,479)	(3.6)
Amortisation of land use right	(14)	(15)	(6.7)	(42)	(43)	(2.3)
Amortisation of intangible assets	(42)	(42)	-	(126)	(126)	-
Fair value loss on investment securities	-	(507)	n.m	(553)	(5,658)	(90.2)
Property, plant and equipment written off	-	-	-	(9)	-	n.m.

n.m. not meaningful

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

	Group		Company	
	As at 31/12/2018 (Unaudited) \$'000	As at 31/3/2018 (Restated) \$'000	As at 31/12/2018 (Unaudited) \$'000	As at 31/3/2018 (Restated) \$'000
Non-current assets				
Property, plant and equipment	48,388	51,424	1,537	1,564
Investments in subsidiaries	-	-	70,298	70,257
Investments in associate	624	625	-	-
Land use right	2,382	2,552	-	-
Intangible assets	1,389	1,517	-	-
	<u>52,783</u>	<u>56,118</u>	<u>71,835</u>	<u>71,821</u>
Current assets				
Inventories	2,058	1,907	-	-
Trade and other receivables	11,058	12,546	26,244	23,586
Contract assets	49,032	44,407	-	-
Tax recoverable	70	3	-	-
Prepayments	1,557	2,641	188	155
Investment securities	1,257	1,810	1,257	1,810
Cash and short term deposits	4,021	8,150	256	1,936
	<u>69,053</u>	<u>71,464</u>	<u>27,945</u>	<u>27,487</u>
Total assets	<u>121,836</u>	<u>127,582</u>	<u>99,780</u>	<u>99,308</u>
Less:				
Current liabilities				
Trade and other payables	34,337	33,647	5,617	5,523
Contract liabilities	4,724	4,624	-	-
Bank borrowings	18,819	21,949	1,516	4,144
Finance lease payables	1,193	1,559	-	-
Loan from shareholders	8,659	3,930	7,034	2,320
Current income tax payable	609	615	171	171
	<u>68,341</u>	<u>66,324</u>	<u>14,338</u>	<u>12,158</u>
Net current assets	<u>712</u>	<u>5,140</u>	<u>13,607</u>	<u>15,329</u>
Non-current liabilities				
Bank borrowings	295	370	295	311
Finance lease payables	278	956	-	-
Liability component of convertible loan	3,326	3,326	3,326	3,326
Deferred tax liabilities	1,940	2,107	353	353
	<u>5,839</u>	<u>6,759</u>	<u>3,974</u>	<u>3,990</u>
Total liabilities	<u>74,180</u>	<u>73,083</u>	<u>18,312</u>	<u>16,148</u>
Net assets	<u>47,656</u>	<u>54,499</u>	<u>81,468</u>	<u>83,160</u>
Equity				
Share capital	77,653	77,653	77,653	77,653
Reserves	(30,185)	(23,532)	3,815	5,507
Total equity attributable to owners of the parent	<u>47,468</u>	<u>54,121</u>	<u>81,468</u>	<u>83,160</u>
Non-controlling interests	188	378	-	-
Total equity	<u>47,656</u>	<u>54,499</u>	<u>81,468</u>	<u>83,160</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 2018		As at 31 March 2018	
	Secured	Unsecured	Secured	Unsecured
	(Unaudited) \$'000	(Unaudited) \$'000	(Audited) \$'000	(Audited) \$'000
Amount repayable within one year	18,330	10,341	21,710	5,728
Amount repayable after one year	3,899	-	4,594	58
	22,229	10,341	26,304	5,786

The borrowings of the Group comprised of finance lease obligations, term loans, 10% to 12% interest bearing independent shareholder loan (of \$7.0 million) and a non-interest bearing shareholder loan (of \$1.6 million). The bank guarantees are secured by fixed deposits placed with the financial institutions and corporate guarantees 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 institutions;
- (iii) all monies guarantee by certain subsidiaries;
- (iv) corporate guarantees from the Company;
- (v) personal guarantees given by the directors of a subsidiary; and
- (vi) the land use right of the Company's subsidiary and leasehold property of the Group in the People's Republic of China ("PRC").

Convertible Loan

On 27 October 2017 entered into a CLA with a Lender pursuant to which the Lender has agreed to grant an interest-bearing convertible loan of \$4,000,000 principal amount to the Company. The Company had drawn down \$4,000,000 of the convertible loans at the same day of entering into the agreement.

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.

	Third quarter ended		Nine months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Loss before tax from continuing operations	(2,597)	(2,016)	(6,503)	(14,032)
Profit before tax from discontinued operation	-	-	-	9,415
Loss before taxation, total	(2,597)	(2,016)	(6,503)	(4,617)
Adjustments for:				
Amortisation of intangible assets	42	42	126	126
Amortisation of mining rights	-	-	-	15
Amortisation of land use rights	14	15	42	43
Depreciation of property, plant and equipment	1,127	1,178	3,354	3,533
Fair value loss on investment securities	-	507	553	5,658
Gain on disposal of plant and equipment	(3)	(33)	(56)	(40)
Gain on loss of control of a subsidiary	-	-	-	(11,134)
Interest income	(7)	(8)	(16)	(18)
Interest expense	652	483	1,775	1,446
Interest expense - convertible loan	121	107	362	1,725
Writeback of liability	-	-	(135)	(127)
Property, plant and equipment written off	-	-	9	37
Share of results of associates	-	(31)	-	-
Operating cash flow before working capital changes	(651)	244	(489)	(3,353)
Working capital changes:				
Inventories	256	(402)	(150)	(825)
Trade and other receivables	(243)	(2,299)	1,488	(4,421)
Contract assets	(45)	-	(4,625)	-
Prepayments	775	686	920	769
Trade and other payables	(1,473)	201	572	1,721
Contract liabilities	(2,293)	-	100	-
Cash used in operations	(3,674)	(1,570)	(2,184)	(6,109)
Income taxes paid	(1)	(117)	(11)	(120)
Interest received	7	8	16	18
Net cash used in operating activities	(3,668)	(1,679)	(2,179)	(6,211)
Cash flows from investing activities				
Loss of control in subsidiaries (net of cash disposed of)	-	-	-	(1,397)
Purchase of plant and equipment	(963)	109	(1,945)	(625)
Proceeds from disposal of investment securities	-	1,189	-	3,410
Proceeds from disposal of plant and equipment	4	35	276	113
Net cash (used in)/generated from investing activities	(959)	1,333	(1,669)	1,501
Cash flows from financing activities				
Addition of associate	-	203	-	-
Decrease in fixed deposit pledged	1,976	100	1,976	1,103
Proceeds from bank borrowings	1,629	1,976	2,739	2,914
Loan from shareholders	4,714	-	4,729	548
Repayments of bank borrowings	(3,391)	(587)	(4,952)	(1,678)
Repayments of convertible loans	-	(2,500)	-	(2,500)
Repayments of convertible loans interest	-	(125)	(240)	(250)
Repayments of finance lease obligations	(357)	(793)	(1,200)	(2,060)
Repayments of shareholder loan	-	(580)	-	(1,170)
Proceeds from issuance of convertible loan	-	3,760	-	3,760
Proceeds from issuance of placement shares	-	-	-	2,016
Interest paid	(397)	(481)	(1,520)	(1,444)
Net cash generated from financing activities	4,174	973	1,532	1,239
Net change in cash and cash equivalents	(453)	627	(2,316)	(3,471)
Cash and cash equivalents at beginning of financial year	2,031	35	3,511	3,945
Currency translation differences	16	(292)	399	(104)
Cash and cash equivalents at end of financial year	1,594	370	1,594	370
Cash and cash equivalents comprise:				
			Group	
			Nine months ended	
			31/12/2018	31/12/2017
			(Unaudited)	(Unaudited)
Short-term deposits			1,072	3,233
Cash and bank balances			2,949	2,004
Cash and cash equivalents			4,021	5,237
Bank overdraft			(1,493)	(1,957)
Fixed deposit pledged			(934)	(2,910)
Cash and cash equivalents in the consolidated cash flow statement			1,594	370

(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.

	Attributable to owners of the Company								
	Share capital	Equity component of convertible loans	Gains on disposals to non-controlling interests	Asset revaluation reserve	Foreign currency translation reserve	Accumulated losses	Equity attributable to the owners of the Company	Non-controlling interests	Total equity
Group (Unaudited)	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2018 (As previously reported)	77,653	2,772	34,952	8,398	419	(70,029)	54,165	378	54,543
Effects of adopting of Singapore Financial Reporting Standards (International)	-	-	-	(8,398)	(80)	8,434	(44)	-	(44)
At 1 April 2018 (As restated)	77,653	2,772	34,952	-	339	(61,595)	54,121	378	54,499
Loss for the financial period	-	-	-	-	-	(3,833)	(3,833)	(30)	(3,863)
<u>Other comprehensive income</u>									
Exchange differences arising from translation of foreign operations	-	-	-	-	(333)	-	(333)	-	(333)
Total comprehensive income for the financial period	-	-	-	-	(333)	(3,833)	(4,166)	(30)	(4,196)
<u>Changes in ownership interests in subsidiaries</u>									
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	101	101	(142)	(41)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	101	101	(142)	(41)
At 30 September 2018	77,653	2,772	34,952	-	6	(65,327)	50,056	206	50,262
Loss for the financial period	-	-	-	-	-	(2,577)	(2,577)	(18)	(2,595)
<u>Other comprehensive income</u>									
Exchange differences arising from translation of foreign operations	-	-	-	-	(11)	-	(11)	-	(11)
Total comprehensive income for the financial period	-	-	-	-	(11)	(2,577)	(2,588)	(18)	(2,606)
At 31 December 2018	77,653	2,772	34,952	-	(5)	(67,904)	47,468	188	47,656

(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.

	Attributable to owners of the Company										
	Share capital	Equity component of convertible bonds	Gain on disposals to non-controlling interests	Asset revaluation reserve	Foreign currency translation reserve	Accumulated losses	Reserve of disposal group classified as held for sale	Equity attributable to the owners of the Company	Non-controlling interests	Non-controlling interests of disposal group classified as held for sale	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group (Unaudited)											
At 1 April 2017 (As previously reported)	75,637	2,108	34,952	9,269	437	(14,493)	(44,835)	63,075	332	7,881	71,288
Effects of adopting of Singapore Financial Reporting Standards (International)	-	-	-	(9,269)	(437)	9,664	-	(42)	-	-	(42)
At 1 April 2017 (As restated)	75,637	2,108	34,952	-	-	(4,829)	(44,835)	63,033	332	7,881	71,246
(Loss)/Profit for the financial period	-	-	-	-	-	(12,072)	10,184	(1,888)	62	(811)	(2,637)
<u>Other comprehensive income</u>											
Exchange differences realised on loss of control in subsidiaries reclassified to profit or loss	-	-	-	-	-	(357)	-	(357)	-	-	(357)
Exchange differences arising from translation of foreign operations	-	-	-	-	124	-	-	124	(7)	(298)	(181)
Total comprehensive income for the financial period	-	-	-	-	124	(12,429)	10,184	(2,121)	55	(1,109)	(3,175)
<u>Contributions by and distributions to owners</u>											
Issuance of new shares	2,016	-	-	-	-	-	-	2,016	-	-	2,016
Total contributions by and distributions to owners	2,016	-	-	-	-	-	-	2,016	-	-	2,016
<u>Changes in ownership interests in subsidiaries</u>											
Disposal of 52.24% economic interest in a subsidiary	-	-	-	-	-	(34,651)	34,651	-	-	(6,772)	(6,772)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(34,651)	34,651	-	-	(6,772)	(6,772)
At 30 September 2017 (As restated)	77,653	2,108	34,952	-	124	(51,909)	-	62,928	387	-	63,315
Loss for the financial period	-	-	-	-	-	(2,130)	-	(2,130)	(4)	-	(2,134)
<u>Other comprehensive income</u>											
Exchange differences arising from translation of foreign operations	-	-	-	-	69	-	-	69	-	-	69
Total comprehensive income for the financial period	-	-	-	-	69	(2,130)	-	(2,061)	(4)	-	(2,065)
<u>Contributions by and distributions to owners</u>											
Issuance of convertible loan	-	800	-	-	-	-	-	800	-	-	800
Total contributions by and distributions to owners	-	800	-	-	-	-	-	800	-	-	800
At 31 December 2017 (As restated)	77,653	2,908	34,952	-	193	(54,039)	-	61,667	383	-	62,050

(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	Equity component of convertible loans	Asset revaluation reserve	Accumulated profits	Total equity
Company (Unaudited)	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2018 (As previously reported)	77,653	2,772	996	1,783	83,204
Effects of adopting of Singapore Financial Reporting Standards (International)	-	-	(996)	952	(44)
At 1 April 2018 (As restated)	77,653	2,772	-	2,735	83,160
Loss for the financial period	-	-	-	(1,286)	(1,286)
Total comprehensive income for the financial period	-	-	-	(1,286)	(1,286)
At 30 September 2018	77,653	2,772	-	1,449	81,874
Loss for the financial period	-	-	-	(406)	(406)
Total comprehensive income for the financial period	-	-	-	(406)	(406)
At 31 December 2018	77,653	2,772	-	1,043	81,468

(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	Equity component of convertible loans	Asset revaluation reserve	Accumulated (losses)/profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Company (Unaudited)					
At 1 April 2017 (As previously reported)	75,637	2,108	952	(1,307)	77,390
Effects of adopting of Singapore Financial Reporting Standards (International)	-	-	(952)	952	-
At 1 April 2017 (As restated)	75,637	2,108	-	(355)	77,390
Profit for the financial period	-	-	-	3,850	3,850
Total comprehensive income for the financial period	-	-	-	3,850	3,850
<u>Contributions by and distributions to owners</u>					
Issuance of convertible loan	2,016	-	-	-	2,016
Total contributions by and distributions to owners	2,016	-	-	-	2,016
At 30 September 2017 (As restated)	77,653	2,108	-	3,495	83,256
Loss for the financial period	-	-	-	(905)	(905)
Total comprehensive income for the financial period	-	-	-	(905)	(905)
<u>Contributions by and distributions to owners</u>					
Issuance of convertible loan	-	800	-	-	800
Total contributions by and distributions to owners	-	800	-	-	800
At 31 December 2017 (As restated)	77,653	2,908	-	2,590	83,151

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 the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 issued and paid-up capital of the Company from 30 September 2018 to the three months ended 31 December 2018 ("3Q2019") were as follows:-

Ordinary shares

	Number of shares	\$
Issued and fully paid ordinary shares as at 30 September 2018	907,971,182	77,653,368
Issued and fully paid ordinary shares as at 31 December 2018	907,971,182	77,653,368

Warrants

As at 31 December 2018, 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 an exercise price of \$0.20 for each new share. As at 31 December 2017, there were 386,574,593 warrants, convertible into 386,574,593 ordinary shares.

TriTech Group Performance Share Plan and TriTech Group Employee Share Option Scheme

The Company did not have any share awards as at 31 December 2018 and 31 December 2017.

Treasury shares and subsidiary holdings

The Company did not have any outstanding treasury shares or subsidiary holdings as at 31 December 2018 and 31 December 2017.

Convertible Loans

As mentioned in paragraph 1(b)(ii), the Company had on 27 October 2017 entered into a CLA with a Lender, pursuant to which the Lender has agreed to grant an interest-bearing convertible loan of \$4,000,000 principal amount to the Company. The Company had drawn down \$4,000,000 of the convertible loans at the same day of entering into the agreement. The convertible loan is convertible into 50,000,000 ordinary shares, at a conversion price of \$0.08 per share subject to adjustments in accordance with the provisions of the CLA.

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 31.12.2018	As at 31.03.2018
Total number of issued shares excluding treasury shares	907,971,182	907,971,182

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

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

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings 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 auditor.

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 auditor.

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 preparation of financial statements for the current reporting period and as those used in the most recently audited annual financial statements for the financial year ended 31 March 2018.

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.

Convergence with International Financial Reporting Standards

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on Singapore Exchange Securities Trading Limited ("SGX-ST") are required to adopt Singapore Financial Reporting Standards (International) ("SFRS(I)"), a new financial reporting framework identical to International Financial Reporting Standards. The Group adopted SFRS(I) on 1 April 2018.

Cumulative translation differences

On transition to SFRS(I), the Group elected the option to deem cumulative translation differences for foreign operations to be zero on 1 April 2017, and accordingly, the gain or loss that will be recognised on a subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 April 2017.

Use of previous revaluation as deemed cost

The Group has elected to use the previous revaluation of an item of plant, property and equipment ("PPE") at or before the date of transition to SFRS(I) on 1 April 2017 as deemed cost at the date of revaluation. The deemed cost becomes the SFRS(I) cost basis at the date of the revaluation.

The impact on the comparatives for the financial statements of this reporting quarter on adoption of SFRS(I) are as follows:

Group	1/10/2017			31/3/2018		
	As reported	Effects	As restated	As reported	Effects	As restated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Consolidated Statement of Financial Position</u>						
Property, plant and equipment	-	-	-	51,462	(38)	51,424
Deferred tax liabilities	-	-	-	2,101	6	2,107
Asset revaluation reserve	9,269	(9,269)	-	8,398	(8,398)	-
Foreign currency translation reserve	175	(51)	124	419	(80)	339
Accumulated losses	(61,187)	9,278	(51,909)	(70,029)	8,434	(61,595)
<hr/>						
Company	1/10/2017			31/3/2018		
	As reported	Effects	As restated	As reported	Effects	As restated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Statement of Financial Position</u>						
Property, plant and equipment	-	-	-	1,602	(38)	1,564
Deferred tax liabilities	-	-	-	347	6	353
Asset revaluation reserve	952	(952)	-	996	(996)	-
Accumulated profit	2,543	952	3,495	1,783	952	2,735

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.

	3Q2019	3Q2018	9M2019	9M2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss per share from continuing operations				
(a) Basic loss per share (SGD cents)	(0.28)	(0.23)	(0.71)	(1.58)
(b) Diluted loss per share (SGD cents)	(0.28)	(0.23)	(0.71)	(1.58)

- (a) Basic loss per share of the Group for the 3 months financial period ended 31 December 2018 ("3Q2019") is calculated based on the weighted average number of ordinary shares in issue of 907,971,182.

Basic loss per share of the Group for the 9 months financial period ended 31 December 2018 ("9M2019") is calculated based on the weighted average number of ordinary shares in issue of 907,971,182.

Basic loss per share of the Group for the 3 months financial period ended 31 December 2017 ("3Q2018") is calculated based on the weighted average number of ordinary shares in issue of 907,971,182.

Basic loss per share of the Group for the 9 months financial period ended 31 December 2017 ("9M2018") is calculated based on the weighted average number of ordinary shares in issue of 898,858,960.

- (b) Diluted loss per share of the Group in 3Q2019, 9M2019, 3Q2018 and 9M2018 are the same as the basic loss per share assuming that no potential ordinary shares are to be issued under CLA and the

bonus warrants as the conversion price or exercise price respectively were higher than the prevailing market price at the relevant date.

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:-**
- current financial period reported on; and**
 - immediately preceding financial year.**

	Group		Company	
	9M2019 (Unaudited)	FY2018 (Audited)	9M2019 (Unaudited)	FY2018 (Audited)
Net asset value per ordinary share based on issued share capital (SGD cents)	5.23	5.97	8.97	9.16

The net asset value per ordinary share of the Group and the Company as at 31 December 2018 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 907,971,182 (31 March 2018: 907,971,182).

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:-**
- 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**
 - 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

3Q2019 compared with 3Q2018

The Group's revenue decreased by \$4.8 million from \$18.3 million in 3Q2018 to \$13.5 million in 3Q2019 mainly due to the decrease in revenue from engineering business of \$3.1 million from the completion of certain projects and decrease in revenue in the water-related and environmental business of \$1.7 million.

In line with the decrease in revenue, the Group's gross profit decreased by \$1.4 million from \$3.2 million in 3Q2018 to \$1.8 million in 3Q2019 mainly due to decrease in gross profit margin in engineering business. Correspondingly, gross profit margin decreased from 17% to 13%.

The Group's other income decreased by approximately \$0.2 million from \$0.4 million to \$0.2 million in 3Q2019 mainly due to decrease in government grant received.

The Group's administrative expenses decreased by \$0.4 million from \$3.4 million in 3Q2018 to \$3.0 million in 3Q2019 mainly due to lower staff related costs.

The Group's other expenses decreased by \$0.9 million from \$1.5 million in 3Q2018 to \$0.6 million in 3Q2019 mainly due to lower fair value loss on investment securities which relates to the quoted shares of Capital World Limited held by the Company and decrease in employee related costs.

As a result of the above, the Group recorded a loss after tax of \$2.6 million in 3Q2019 as compared to a loss after tax of \$2.1 million in 3Q2018.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current assets of the Group amounted to \$52.8 million as at 31 December 2018, a decrease of \$3.3 million from \$56.1 million as at 31 March 2018. The decrease was mainly due to depreciation charges and amortisation of \$3.5 million relating to property, plant and equipment, land use rights and intangible assets, disposal of property, plant and equipment of \$0.2 million and foreign currency translation loss of \$1.5 million, partially offset by the purchase of property, plant and equipment of \$1.9 million.

Current assets were \$69.0 million as at 31 December 2018. The decrease of \$2.5 million from \$71.5 million as at 31 March 2018 was mainly due to a decrease of \$4.1 million from cash and short term deposits, a decrease in trade and other receivables of \$1.5 million which was in line with the decrease in revenue, decrease in prepayment of \$1.0 million and decrease in investment securities of \$0.5 million arising from the fair value loss on the quoted shares of Capital World Limited held by the Company. The decrease was partially offset with the increase in contract assets of \$4.6 million arising from water-related and environmental business and increase in \$0.1 million from inventories.

Current liabilities were \$68.3 million as at 31 December 2018. The increase of \$2.0 million from \$66.3 million as at 31 March 2018 was due to increase in loan from independent shareholders of \$4.7 million and increase in trade and other payables and contract liabilities of \$0.8 million. The increase was partially offset with the decrease in bank borrowings and finance lease payable of \$3.5 million from repayments made.

Non-current liabilities were \$5.8 million as at 31 December 2018, a decrease of \$1.0 million from \$6.8 million as at 31 March 2018. This was mainly due to the repayment of finance lease of \$0.7 million and decrease in deferred tax liabilities of \$0.2 million.

The Group had a positive working capital of \$0.7 million as at 31 December 2018 as compared to \$5.1 million as at 31 March 2018.

REVIEW OF CASH FLOW STATEMENT OF THE GROUP

The Group recorded a net cash used in operating activities amounting to \$3.7 million in 3Q2019. The net cash used in operating activities in 3Q2019 was mainly due to an operating cash outflow of \$0.7 million before working capital changes and working capital outflow of \$3.0 million. The net cash outflow was mainly due to the increase in contract liabilities and trade and other payables, partially offset by the decrease in inventories and prepayment.

Net cash of \$0.9 million used in investing activities in 3Q2019, mainly due to cash outflow for purchase of new plant and equipment.

Net cash of \$4.2 million generated from financing activities in 3Q2019, mainly due to cash inflow from shareholders loan, proceeds from bank borrowings, decrease in fixed deposit pledged and partially offset with the outflow for the repayment of bank borrowings, finance lease and interest payment.

9. 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.

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.

Both our engineering business and water-related and environmental business, although facing competitive landscape in the markets where we operate in, have steadily made progress in securing projects with better profit margin by leveraging on our technology know-how to focus on high technology-oriented large-scale projects.

11. 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 (%)
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 received 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 and the reason(s) for the decision

In view of the Group's losses, no dividend has been declared or recommended for the financial period ended 31 December 2018.

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.

The Company has not obtained a general mandate from its shareholders for interested person transactions.

There were no interested person transaction of \$100,000 and above during the financial period reported on.

14. 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).

15. Confirmation pursuant to Rule 705(5) of the Catalyst 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 nine months ended 31 December 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr Wang Xiaoning

Managing Director

13 February 2019