



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 FINANCIAL PERIOD ENDED 30  
SEPTEMBER 2017

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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.

The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)).

**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**

	Second quarter ended 30 September			Half year ended 30 September		
	2017	2016 <sup>(1)</sup>	Change	2017	2016 <sup>(1)</sup>	Change
	(Unaudited)	(Re-presented)		(Unaudited)	(Re-presented)	
	\$'000	\$'000	%	\$'000	\$'000	%
<b><u>Continuing operations</u></b>						
Revenue	18,517	15,365	20.5	35,584	31,357	13.5
Cost of sales	(16,487)	(11,634)	41.7	(30,243)	(24,164)	25.2
Gross profit	2,030	3,731	(45.6)	5,341	7,193	(25.7)
Other items of income						
Other income	214	153	39.9	424	316	34.2
Other items of expenses						
Distribution expenses	(299)	(303)	(1.3)	(540)	(586)	(7.8)
Administrative expenses	(3,677)	(3,180)	15.6	(7,543)	(6,661)	13.2
Other expenses	(2,063)	(1,073)	92.3	(7,090)	(2,097)	238.1
Finance costs	(737)	(954)	(22.7)	(2,577)	(1,903)	35.4
Share of results of associates	(28)	-	n.m.	(31)	-	n.m.
Loss before taxation	(4,560)	(1,626)	180.4	(12,016)	(3,738)	221.5
Income tax refund	-	93	(100.0)	6	122	(95.1)
Loss from continuing operations, net of income tax	(4,560)	(1,533)	197.5	(12,010)	(3,616)	232.1
<b><u>Discontinued operation</u> <sup>(2)</sup></b>						
Gain on disposal of 52.24% economic interest in a subsidiary	-	-	n.m.	11,134	-	n.m.
Loss from discontinued operation, net of income tax	-	(1,191)	n.m.	(1,761)	(2,106)	(16.4)
Loss for the financial period	(4,560)	(2,724)	67.4	(2,637)	(5,722)	(53.9)
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	-	-	n.m.	(357)	-	n.m.
Exchange differences on translating foreign operations, net of tax	38	62	(38.7)	(181)	(619)	(70.8)
Total comprehensive income for the financial period	(4,522)	(2,662)	69.9	(3,175)	(6,341)	(49.9)
Profit/(loss) attributable to:						
Owners of the parent						
Loss from continuing operations	(4,625)	(1,533)	201.7	(12,072)	(3,612)	234.2
Profit/(loss) from discontinued operation	-	(671)	n.m.	10,184	(1,216)	n.m.
Loss for the financial period attributable to owners of the Company	(4,625)	(2,204)	109.8	(1,888)	(4,828)	(60.9)
Non-controlling interest						
Profit/(loss) from continuing operations	65	-	n.m.	62	(4)	n.m.
Loss from discontinued operation	-	(520)	n.m.	(811)	(890)	(8.9)
Profit/ (loss) for the financial period attributable to non-controlling interests	65	(520)	(112.5)	(749)	(894)	(16.2)
Loss for the financial period	(4,560)	(2,724)	67.4	(2,637)	(5,722)	(53.9)
Total comprehensive income attributable to:						
Owners of the parent						
	(4,587)	(2,123)	116.1	(2,122)	(5,311)	(60.0)
Non-controlling interest						
	65	(539)	n.m.	(1,053)	(1,030)	2.2
Total comprehensive income for the financial period	(4,522)	(2,662)	69.9	(3,175)	(6,341)	(49.9)

n.m. not meaningful

<sup>(1)</sup> The comparative figures have been re-presented to report separately profit and loss items for continuing or discontinued operations.

<sup>(2)</sup> Discontinued operation relates to Terratech Group Limited.

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

	Second quarter ended 30 September			Half year ended 30 September		
	2017	2016	Change	2017	2016	Change
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Other income</b>						
<b><u>Continuing operations</u></b>						
Gain on disposal of property, plant and equipment	7	64	(89.1)	7	86	(91.9)
Interest income	5	-	n.m.	10	6	66.7
Rental income	48	67	(28.4)	104	140	(25.7)
Waiver of payable	127	-	n.m.	127	-	n.m.
Sundry income	27	22	22.7	176	84	109.5
<b><u>Discontinued operation</u></b>						
Gain on loss of control of a subsidiary	-	-	-	11,134	-	n.m.
Liquidation of Marble Resources business in China (tax and net assets)	-	-	-	742	-	n.m.
Reversal of impairment loss on other receivables	-	-	-	-	61	n.m.
Sundry income	-	11	n.m.	26	13	100.0
<b>Cost of sales, distribution, administrative and other expenses</b>						
<b><u>Continuing operations</u></b>						
Depreciation of property, plant and equipment	(1,126)	(1,163)	(3.2)	(2,301)	(2,391)	(3.8)
Amortisation of land use right	(14)	(14)	-	(28)	(29)	(3.4)
Amortisation of intangible assets	(42)	(22)	90.9	(84)	(44)	90.9
Fair value loss on investment securities	(1,127)	-	n.m.	(5,151)	-	n.m.
Write-off of plant and equipment	-	(3)	n.m.	-	(3)	n.m.
<b><u>Discontinued operation</u></b>						
Depreciation of property, plant and equipment	-	(168)	n.m.	(54)	(335)	(83.9)
Amortisation of mining rights	-	(77)	n.m.	(15)	(153)	(90.2)
Write-off of plant and equipment	-	-	n.m.	(37)	-	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 30/09/2017 (Unaudited) \$'000	As at 31/03/2017 (Audited) \$'000	As at 30/09/2017 (Unaudited) \$'000	As at 31/03/2017 (Audited) \$'000
<b>Non-current assets</b>				
Property, plant and equipment	53,903	55,668	1,583	1,601
Investments in subsidiaries	-	-	69,307	57,486
Investments in associates	858	-	-	-
Land use right	2,523	2,536	-	-
Intangible assets	1,601	1,683	-	-
	<u>58,885</u>	<u>59,887</u>	<u>70,890</u>	<u>59,087</u>
<b>Current assets</b>				
Inventories	4,005	3,675	-	-
Trade and other receivables	10,760	9,936	22,803	19,891
Amounts due from contract customers	55,035	53,275	-	-
Tax recoverable	6	25	-	-
Prepayments	1,601	1,852	72	38
Investment securities	3,770	-	3,770	-
Cash and bank balances	5,451	9,055	1,633	2,532
	<u>80,628</u>	<u>77,818</u>	<u>28,278</u>	<u>22,461</u>
Assets of disposal group classified as held for sale	-	29,932	-	19,425
	<u>80,628</u>	<u>107,750</u>	<u>28,278</u>	<u>41,886</u>
<b>Total assets</b>	<u>139,513</u>	<u>167,637</u>	<u>99,168</u>	<u>100,973</u>
<b>Less:</b>				
<b>Current liabilities</b>				
Trade and other payables	36,806	36,952	4,604	5,003
Amounts due to contract customers	4,118	3,826	-	-
Bank borrowings	20,177	19,698	4,691	4,706
Finance lease payables	2,358	3,063	-	-
Derivative components of convertible loans	14	14	14	14
Liability component of convertible loan	2,588	9,034	2,588	9,034
Loan from shareholders	4,507	4,549	2,820	3,020
Current income tax payable	766	599	171	171
	<u>71,334</u>	<u>77,735</u>	<u>14,888</u>	<u>21,948</u>
Liabilities directly associated with disposal group classified as held for sale	-	12,509	-	-
	<u>71,334</u>	<u>90,244</u>	<u>14,888</u>	<u>21,948</u>
<b>Net current assets</b>	<u>9,294</u>	<u>17,506</u>	<u>13,390</u>	<u>19,938</u>
<b>Non-current liabilities</b>				
Bank borrowings	655	1,315	621	1,232
Finance lease payables	1,674	2,236	-	-
Deferred tax liabilities	2,493	2,554	403	403
	<u>4,822</u>	<u>6,105</u>	<u>1,024</u>	<u>1,635</u>
<b>Total liabilities</b>	<u>76,156</u>	<u>96,349</u>	<u>15,912</u>	<u>23,583</u>
<b>Net assets</b>	<u>63,357</u>	<u>71,288</u>	<u>83,256</u>	<u>77,390</u>
<b>Equity</b>				
Share capital	77,653	75,637	77,653	75,637
Reserves	(14,683)	32,274	5,603	1,753
Reserves of disposal group classified as held for sale	-	(44,835)	-	-
<b>Total equity attributable to owners of the parent</b>	<u>62,970</u>	<u>63,076</u>	<u>83,256</u>	<u>77,390</u>
Non-controlling interests	387	331	-	-
Non-controlling interests of disposal group classified as held for sale	-	7,881	-	-
<b>Total equity</b>	<u>63,357</u>	<u>71,288</u>	<u>83,256</u>	<u>77,390</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 30 September 2017		As at 31 March 2017	
	Secured	Unsecured	Secured	Unsecured
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
Amount repayable within one year	24,885	4,745	31,149	5,195
Amount repayable after one year	2,329	-	3,551	-
	27,214	4,745	34,700	5,195

The borrowings of the Group comprised bank guarantees facilities, finance lease obligations, term loans, 10% interest bearing shareholder loan (of \$2.8 million) and a non-interest bearing shareholder loan (of \$1.7 million). 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 institutions;
- (iii) all monies guarantee by certain subsidiaries;
- (iv) corporate guarantee from the Company;
- (v) personal guarantees given by the directors of a subsidiary; and
- (vi) the land use right of the Company's subsidiary in the People's Republic of China ("PRC").

#### Convertible Loans

On 21 September 2014, the Company had entered into a convertible loans agreement ("CLA") with certain individuals (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. A maximum of up to 149,783,546 new ordinary shares comprising loan conversion shares and interest conversion shares of the Company are to be issued based on the loan conversion price of \$0.21 and minimum interest conversion price of \$0.11 for each new share. On 28 October 2014, the Company had drawn down \$10,000,000 of the convertible loans.

On 31 March 2017, the Company had written to the Lenders to offer each of the Lenders an early settlement of the relevant loans held by them. The proposed settlement amount in relation to each Lender shall be the principal amount of the relevant loan plus the agreed interest amount and shall be settled by shares of Terratech Group Limited (now known as Capital World Limited)("Terratech") held by the Company, including the Terratech shares to be sold under the compliance placement to be carried out in conjunction with the reverse takeover of Terratech ("Terratech Compliance Placement").

On 26 April 2017, the Company announced that certain Lenders had accepted the early settlement ("Early Settlement"), with the aggregate settlement sum amounting to \$8,250,000, and the proposed disposal of 41,250,000 consolidated shares of Terratech in settlement and satisfaction of such settlement amount (the "Proposed Disposal"). As at the date of this announcement, the outstanding aggregate principal amount plus the interest totalling \$2,625,000 has been fully settled on the maturity date, 28 October 2017.

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.

	Second quarter ended		Half year ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Loss before tax from continuing operations	(4,560)	(1,626)	(12,016)	(3,738)
Profit/(loss) before tax from discontinued operation	-	(1,203)	9,415	(2,055)
Loss before taxation, total	(4,560)	(2,829)	(2,601)	(5,793)
Adjustments for:				
Amortisation of intangible assets	42	22	84	44
Amortisation of mining rights	-	77	15	153
Amortisation of land use rights	14	14	28	29
Depreciation of property, plant and equipment	1,126	1,331	2,355	2,726
Fair value loss on investment securities	1,127	-	5,151	-
Gain on disposal of plant and equipment	(7)	(64)	(7)	(86)
Gain on loss of control of a subsidiary	-	-	(11,134)	-
Interest income	(5)	-	(10)	(6)
Interest expense	492	388	963	780
Interest expense - convertible loan	245	566	1,618	1,126
Waiver of payable	(127)	-	(127)	-
Write-off of plant and equipment	-	3	37	3
Reversal of impairment loss on other receivables	-	-	-	(61)
Share of results of associates	28	-	31	-
<b>Operating cash flow before working capital changes</b>	<b>(1,625)</b>	<b>(492)</b>	<b>(3,597)</b>	<b>(1,085)</b>
Working capital changes:				
Inventories	(509)	(1,045)	(423)	(1,421)
Trade and other receivables	1,433	(4,093)	(2,122)	(7,694)
Prepayments	(171)	238	83	909
Trade and other payables	224	6,387	1,520	6,890
<b>Cash generated from / (used in) operations</b>	<b>(648)</b>	<b>995</b>	<b>(4,539)</b>	<b>(2,401)</b>
Income taxes refund/(paid)	(4)	24	(3)	(2)
Interest received	5	-	10	6
<b>Net cash generated from / (used in) operating activities</b>	<b>(647)</b>	<b>1,019</b>	<b>(4,532)</b>	<b>(2,397)</b>
<b>Cash flows from investing activities</b>				
Loss of control in subsidiaries (net of cash disposed of)	-	-	(1,397)	-
Purchase of plant and equipment	(213)	(378)	(734)	(2,012)
Proceeds from disposal of investment securities	26	-	2,221	-
Proceeds from disposal of plant and equipment	61	83	78	123
<b>Net cash generated from/ (used in) investing activities</b>	<b>(126)</b>	<b>(295)</b>	<b>168</b>	<b>(1,889)</b>
<b>Cash flows from financing activities</b>				
Addition of associate	-	-	(203)	-
Decrease in fixed deposit	98	1,357	1,003	1,378
Proceeds from bank borrowings	-	-	938	1,522
Loan from shareholders	64	81	548	81
Repayments of bank borrowings	(540)	(338)	(1,091)	(1,651)
Repayments of convertible loan interests	-	-	(125)	(500)
Repayments of finance lease obligations	(806)	(856)	(1,267)	(1,471)
Repayments of shareholder loan	-	-	(590)	(150)
Proceeds from issuance of placement shares	-	-	2,016	-
Proceeds from issuance of subsidiary's placement shares	-	-	-	2,774
Interest paid	(492)	(388)	(963)	(780)
<b>Net cash generated from/ (used in) financing activities</b>	<b>(1,676)</b>	<b>(144)</b>	<b>266</b>	<b>1,203</b>

- 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.

	Second quarter ended		Half year ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$'000	\$'000	\$'000	\$'000
Net change in cash and cash equivalents	(2,449)	580	(4,098)	(3,083)
Cash and cash equivalents at beginning of financial period	2,433	2,516	3,945	5,261
Currency translation differences	51	(272)	188	646
Cash and cash equivalents at end of financial period	35	2,824	35	2,824

Cash and cash equivalents comprise:

	Group	
	Half year ended	
	30/09/2017	30/09/2016
	(Unaudited)	(Unaudited)
Fixed deposits	3,332	3,539
Cash and bank balances	2,119	4,803
Cash and cash equivalents	5,451	8,342
Bank overdraft	(2,405)	(1,995)
Fixed deposit pledged	(3,011)	(3,523)
Cash and cash equivalents in the consolidated cash flow statement	35	2,824

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	Gain 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 July 2017	77,653	2,108	34,951	9,269	138	(56,562)	67,557	322	67,879
Profit/(Loss) for the financial period	-	-	-	-	-	(4,625)	(4,625)	65	(4,560)
<u>Other comprehensive income</u>									
Exchange differences arising from translation of foreign operations	-	-	-	-	38	-	38	-	38
Total comprehensive income for the financial period	-	-	-	-	38	(4,625)	(4,587)	65	(4,522)
At 30 September 2017	77,653	2,108	34,951	9,269	176	(61,187)	62,970	387	63,357



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	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 July 2016	69,866	2,108	34,951	11,111	(104)	(3,508)	(43,006)	71,418	277	10,355	82,050
<b>Loss for the financial period</b>	-	-	-	-	-	(2,204)	-	(2,204)	(520)	-	(2,724)
<u>Other comprehensive income</u>											
Exchange differences arising from translation of foreign operations	-	-	-	-	81	-	-	81	(19)	-	62
<b>Total comprehensive income for the financial period</b>	-	-	-	-	81	(2,204)	-	(2,123)	(539)	-	(2,662)
<u>Contributions by and distributions to owners</u>											
Reserve and non-controlling interest attributable to disposal group classified as held for sale	-	-	-	-	81	189	(270)	-	538	(538)	-
<b>Total contributions by and distributions to owners</b>	-	-	-	-	81	189	(270)	-	538	(538)	-
At 30 September 2016	69,866	2,108	34,951	11,111	58	(5,523)	(43,276)	69,295	276	9,817	79,388

(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
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Company (Unaudited)</b>					
<b>At 1 July 2017</b>	77,653	2,108	952	4,492	85,205
Loss for the financial period	-	-	-	(1,949)	(1,949)
<b>Total comprehensive income for the financial period</b>	-	-	-	(1,949)	(1,949)
<b>At 30 September 2017</b>	<b>77,653</b>	<b>2,108</b>	<b>952</b>	<b>2,543</b>	<b>83,256</b>
<b>At 1 July 2016</b>	69,866	2,108	925	1,628	74,527
Loss for the financial period	-	-	-	(762)	(762)
<b>Total comprehensive income for the financial period</b>	-	-	-	(762)	(762)
<b>At 30 September 2016</b>	<b>69,866</b>	<b>2,108</b>	<b>925</b>	<b>866</b>	<b>73,765</b>

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 changes in the issued and paid-up capital of the Company from 30 June 2017 (“1Q2018”) to the three months ended 30 September 2017 (“2Q2018”) were as follows:-

Ordinary shares

	Number of shares	\$
Issued and fully paid ordinary shares as at 30 June 2017	907,971,182	77,653,368
Issued and fully paid ordinary shares as at 30 September 2017	907,971,182	77,653,368

Warrants

As at 30 September 2017, 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 30 September 2016, there were 386,574,593 warrants.

Performance Share Plan

The Company did not issue any Share Awards as at 30 September 2017 and 30 September 2016.

Treasury shares and subsidiary holdings

The Company did not have any outstanding treasury shares and subsidiary holdings as at 30 September 2017 and 30 September 2016.

Convertible Loans

Pursuant to the CLA, the Company had 13,041,126 and 47,619,048 outstanding loan conversion shares and interest conversion shares under the CLA as at 30 September 2017 and 30 September 2016 respectively. As at the date of this announcement, the aggregate principal amount plus the interest totalling \$2,625,000 has been fully settled on the maturity date, 28 October 2017.

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 30.09.2017	As at 31.03.2017
Total number of issued shares excluding treasury shares	907,971,182	879,168,182

**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 was 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 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 preparation of financial statements for the current reporting period as those used in the most recently audited annual financial statements for the financial year ended 31 March 2017.

**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 the financial year beginning 1 April 2017. The adoption of these new and/or revised FRS and INT FRS did not result in any substantial changes to the Group's and the Company's accounting policies or any significant impact 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.

	2Q2018 (Unaudited)	2Q2017 (Unaudited)	1H2018 (Unaudited)	1H2017 (Unaudited)
<b>Loss per share from continuing operations</b>				
(a) Basic loss per share (SGD cents)	(0.51)	(0.19)	(1.35)	(0.46)
(b) Diluted loss per share (SGD cents)	(0.51)	(0.19)	(1.35)	(0.46)
<b>Loss per share from continuing and discontinued operations</b>				
(a) Basic loss per share (SGD cents)	(0.51)	(0.28)	(0.21)	(0.61)
(b) Diluted loss per share (SGD cents)	(0.51)	(0.28)	(0.21)	(0.61)

- (a) Basic loss per share of the Group in the three months ended 30 September 2017 (“2Q2018”) is calculated based on the weighted average number of ordinary shares in issue of 907,971,182.

Basic loss per share for the Group for the half year financial period ended 30 September 2017 (“1H2018”) is calculated based on the weighted average number of ordinary shares in issue of 894,277,952.

Basic loss per share of the Group in 2Q2017 and half year financial period ended 30 September 2016 (“1H2017”) is calculated based on the weighted average number of ordinary shares in issue of 791,865,686.

- (b) Diluted loss per share of the Group in 2Q2018, 1H2018, 2Q2017 and 1H2017 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 due to the conversion price or exercise price being 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:-

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

	Group		Company	
	1H2018 (Unaudited)	FY2017 (Audited)	1H2018 (Unaudited)	FY2017 (Audited)
Net asset value per ordinary share based on issued share capital (SGD cents)	6.94	7.17	9.17	8.80

The net asset value per ordinary share of the Group and the Company as at 30 September 2017 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 907,971,182 (31 March 2017: 879,168,182).

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

##### Continuing operations 2Q2018 compared with 2Q2017

The Group's revenue increased by \$3.1 million from \$15.4 million in 2Q2017 to \$18.5 million in 2Q2018 mainly due to the increase in revenue in the engineering business of \$1.8 million and water-related and environmental business of \$1.3 million.

The Group's gross profit decreased by \$1.7 million from \$3.7 million in 2Q2017 to \$2.0 million in 2Q2018 mainly due to increase in direct costs of ground & structural engineering projects.

The Group's administrative expenses increased by \$0.5 million from \$3.2 million in 2Q2017 to \$3.7 million in 2Q2018 mainly due to the increase in \$0.1 million of director's remuneration, research fee of water-related and environmental business in PRC increased by \$0.2 million, professional fee and office expenses increased by \$0.2 million.

The Group's other expenses increased by \$1.0 million from \$1.1 million in 2Q2017 to \$2.1 million in 2Q2018 mainly due to the fair value loss on investment securities following the completion of the reverse takeover of Terratech and reclassification of the Terratech shares held by the Company as investment securities.

Finance costs decreased by \$0.2 million from \$0.9 million in 2Q2017 to \$0.7 million in 2Q2018 mainly due to cessation of convertible loan interest charge after the early settlement of convertible loan.

As a result of the above, the Group recorded a loss after tax of \$4.6 million in 2Q2018 as compared to a loss after tax of \$1.5 million in 2Q2017.

## REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current assets of the Group amounted to \$58.9 million as at 30 September 2017, a decrease of \$1.0 million from \$59.9 million as at 31 March 2017. The increase was due to \$0.9 million arising from investment in associates in PRC and addition of new plant and equipment of \$0.7 million offset against amortisation and depreciation charges of \$2.4 million and foreign exchange translation loss of \$0.2 million.

Current assets were \$80.6 million as at 30 September 2017. Excluding the assets held for sale from the discontinued operations of \$29.9 million, the increase of \$2.8 million from \$77.8 million as at 31 March 2017 was mainly due to the increase in inventories of \$0.3 million from the water-related and environmental business in PRC, increase in trade and other receivables of \$0.9 million arising from increased revenue from the water-related and environmental business and amount due from contract customers of \$1.7 million from engineering business and water-related and environmental business in PRC. The investment securities of \$3.8 million was arising from the loss of control on marble resources business following the completion of the reverse takeover of Terratech. The increase was offset by the decrease in prepayments of \$0.3 million and the decrease of cash and bank balances of \$3.6 million.

Current liabilities were \$71.3 million as at 30 September 2017. Excluding the liabilities held for sale of \$12.5 million, the decrease of \$6.4 million from \$77.7 million as at 31 March 2017 was mainly due to decrease in trade and other payables of \$0.2 million, settlement of convertible loans of \$6.4 million through disposal of placement shares of Terratech and decrease of \$0.7 million due to repayments of finance lease. The decrease was partially offset by the increase in amount due to contract customers, increase in bank borrowings and current income tax payables totalling of \$0.9 million.

Non-current liabilities were \$4.8 million as at 30 September 2017, a decrease of \$1.3 million from \$6.1 million as at 31 March 2017. The decrease was due to partial repayment of finance lease payables and bank borrowings totalling \$1.2 million and the decrease in deferred tax liabilities of \$0.1 million.

The Group had a positive working capital of \$9.3 million as at 30 September 2017 as compared to \$17.5 million as at 31 March 2017.

## REVIEW OF CASH FLOW STATEMENT OF THE GROUP

The Group had a net cash used in operating activities amounting to \$0.6 million in 2Q2018. The net cash used in operating activities in 2Q2018 was mainly due to an operating cash outflow of \$1.6 million before working capital changes and working capital inflow of \$1.0 million mainly due to increase in trade and other receivables, increase in inventories offset by an increase in trade and other payables.

Net cash of \$0.1 million was used in investing activities in 2Q2018, mainly due to purchase of new plant and equipment for the engineering and water-related and environmental business. The cash outflow was offset with the proceeds from disposal of investment securities and plant and equipment.

Net cash of \$1.7 million was used in financing activities in 2Q2018, mainly due to cash outflow for the repayment of bank borrowings and payment of finance lease, term loan and convertible loan interest.

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

Save for non-recoverable costs relating to certain projects that resulted in a loss for the engineering business in 2Q2018, the current results are in line with the Company's discussion presented in Note 10 of the unaudited results announcement dated 11 August 2017.

**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.**

Our engineering business is expected to remain challenging for the remaining quarters of FY2018 on the back of a competitive and rising cost environment. Efforts have been put in place to review and consolidate our engineering business to address such challenges whilst constantly positioning ourselves to secure potential projects with reasonable profit margin. Our water-related and environmental business is also facing similar competitive landscape in the markets where we operate in although we will endeavour to mitigate such challenges by leveraging on our operating experience to diversify either via new product or market reach.

**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 the financial period ended 30 September 2017.

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 does not have 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, save for an interest free shareholder loan of \$0.06 million which has no fixed term of repayment.

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 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 2017 to be false or misleading in any material aspect.

#### BY ORDER OF THE BOARD

Dr Wang Xiaoning

Managing Director

10 November 2017