



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 30 JUNE 2019

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") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. This announcement has not been examined or approved by the SGX-ST.

The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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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

	3 months ended 30 June		
	2019	2018 ⁽¹⁾	Change
	(Unaudited) \$'000	(Re-presented) \$'000	%
<u>Continuing operations</u>			
Revenue	8,351	10,538	(20.8)
Cost of sales	(6,570)	(8,259)	(20.5)
Gross profit	1,781	2,279	(21.9)
Other income	236	93	153.8
Distribution expenses	(167)	(183)	(8.7)
Administrative expenses	(1,826)	(2,270)	(19.6)
Other expenses	(1,342)	(1,194)	12.4
Finance costs	(924)	(605)	52.7
Loss before taxation	(2,242)	(1,880)	19.3
Income tax credit/(expense)	4	(7)	(157.1)
Loss from continuing operations, net of income tax	(2,238)	(1,887)	18.6
<u>Discontinued operation ⁽²⁾</u>			
Gain on disposal of 100% interest in a subsidiary	4,409	-	n.m.
Profit/(Loss) from discontinued operation, net of income tax	508	(124)	(509.7)
Profit/(Loss) for the financial period	2,679	(2,011)	(233.2)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax	(98)	(102)	(3.9)
Total comprehensive income for the financial period	2,581	(2,113)	(222.1)
Profit/(Loss) attributable to:			
Owners of the Company			
Loss from continuing operations	(2,221)	(1,875)	18.5
Profit/(Loss) from discontinued operation	4,917	(124)	(4,065.3)
Profit/(Loss) for the financial period attributable to owners of the Company	2,696	(1,999)	(234.9)
Non-controlling interest			
Loss from continuing operations	(17)	(12)	41.7
Loss for the financial period attributable to non-controlling interests	(17)	(12)	41.7
Profit/(Loss) for the financial period	2,679	(2,011)	(233.2)
Total comprehensive income attributable to:			
Owners of the Company	2,598	(2,101)	(223.7)
Non-controlling interest	(17)	(12)	41.7
Total comprehensive income for the financial period	2,581	(2,113)	(222.1)

n.m. not meaningful

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

⁽²⁾ Discontinued operation relates to Presscrete Engineering Pte. Ltd.

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

	3 months ended 30 June	
	2019	2018
	(Unaudited) \$'000	(Re-presented) \$'000
Other income		
<u>Continuing operations</u>		
Gain on disposal of plant and equipment	5	25
Interest income	28	5
Sundry income	203	63
<u>Discontinued operation</u>		
Gain on loss of control of a subsidiary	4,409	-
Sundry income	8	20
 Cost of sales, distribution, administrative and other expenses		
<u>Continuing operations</u>		
Depreciation of property, plant and equipment	(621)	(744)
Depreciation of right-of-use asset	(57)	-
Amortisation of land use right	(14)	(15)
Amortisation of intangible assets	(42)	(42)
Fair value loss on investment securities	(477)	(251)
Loss on disposal of plant and equipment	-	25
Foreign exchange gain	55	-
<u>Discontinued operation</u>		
Depreciation of property, plant and equipment	(262)	(383)
Depreciation of right-of-use asset	(54)	-

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 30/6/2019 (Unaudited) \$'000	As at 31/3/2019 (Audited) \$'000	As at 30/6/2019 (Unaudited) \$'000	As at 31/3/2019 (Audited) \$'000
Non-current assets				
Property, plant and equipment	34,040	35,344	1,518	1,527
Investments in subsidiaries	-	-	70,298	70,298
Investments in associate	624	624	-	-
Land use right	2,340	2,412	-	-
Right-of-use assets	2,114	-	-	-
Intangible assets	1,260	1,302	-	-
	40,378	39,682	71,816	71,825
Current assets				
Inventories	369	263	-	-
Trade and other receivables	18,733	12,958	29,683	27,718
Contract assets	27,515	32,232	-	-
Tax recoverable	5	6	-	-
Prepayments	1,302	1,354	236	152
Investment securities	453	930	453	930
Cash and short term deposits	2,929	5,616	165	111
	51,306	53,359	30,537	28,911
Assets of disposal group classified as held for sale	-	14,825	-	-
	51,306	68,184	30,537	28,911
Total assets	91,684	107,866	102,353	100,736
Less:				
Current liabilities				
Trade and other payables	25,709	27,388	7,275	7,042
Contract liabilities	-	1,656	-	-
Bank borrowings	17,708	21,539	1,494	1,509
Finance lease payables	192	239	-	-
Lease liabilities	756	-	-	-
Liability component of convertible loan	3,900	3,900	3,900	3,900
Loan from shareholders	10,676	8,505	10,558	8,387
Current income tax payable	453	459	171	171
	59,394	63,686	23,398	21,009
Liabilities directly associated with disposal group classified as held for sale	-	13,980	-	-
	59,394	77,666	23,398	21,009
Net current (liabilities)/assets	(8,088)	(9,482)	7,139	7,902
Non-current liabilities				
Bank borrowings	286	291	286	291
Finance lease payables	39	71	-	-
Loan from shareholder	1,000	1,000	1,000	1,000
Lease liabilities	1,852	-	-	-
Deferred tax liabilities	1,892	1,949	353	353
	5,069	3,311	1,639	1,644
Total liabilities	64,463	80,977	25,037	22,653
Net assets	27,221	26,889	77,316	78,083
Equity				
Share capital	77,653	77,653	77,653	77,653
Reserves	(50,616)	(50,965)	(337)	430
Total equity attributable to owners of the Company	27,037	26,688	77,316	78,083
Non-controlling interests	184	201	-	-
Total equity	27,221	26,889	77,316	78,083

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 June 2019		As at 31 March 2019	
	Secured (Unaudited) \$'000	Unsecured (Unaudited) \$'000	Secured (Audited) \$'000	Unsecured (Audited) \$'000
Amount repayable within one year	19,742	12,733	23,181	11,003
Amount repayable after one year	325	1,000	362	1,000
	20,067	13,733	23,543	12,003

The borrowings of the Group comprised of finance lease obligations, term loans, 10% to 12% interest bearing independent shareholder loan (of \$9.1 million) and a non-interest bearing shareholder loan (of \$2.6 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

The Company had on 27 October 2017 entered into a convertible loan agreement ("CLA") with a private company (the "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.

	Attributable to owners of the Company							Total equity
	Share capital	Equity component of convertible loans	Gains on disposals to non-controlling interests	Foreign currency translation reserve	Accumulated losses	Equity attributable to the owners of the Company	Non-controlling interests	
Group (Unaudited)	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2019 (As previously reported)	77,653	2,772	34,945	85	(88,767)	26,688	201	26,889
Effects of adopting SFRS(I) 16	-	-	-	-	(2,249)	(2,249)	-	(2,249)
At 1 April 2019 (As restated)	77,653	2,772	34,945	85	(91,016)	24,439	201	24,640
Profit for the financial period	-	-	-	-	2,696	2,696	(17)	2,679
<u>Other comprehensive income</u>								
Exchange differences arising from translation of foreign operations	-	-	-	(98)	-	(98)	-	(98)
Total comprehensive income for the financial period	-	-	-	(98)	2,696	2,598	(17)	2,581
At 30 June 2019	77,653	2,772	34,945	(13)	(88,320)	27,037	184	27,221

(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	(70,028)	54,166	377	54,543
Effects of adopting of Singapore Financial Reporting Standards (International)	-	-	-	(8,398)	(437)	8,835	-	-	-
At 1 April 2018 (As restated)	77,653	2,772	34,952	-	(18)	(61,193)	54,166	377	54,543
Loss for the financial period	-	-	-	-	-	(1,999)	(1,999)	(12)	(2,011)
<u>Other comprehensive income</u>									
Exchange differences arising from translation of foreign operations	-	-	-	-	(102)	-	(102)	-	(102)
Total comprehensive income for the financial period	-	-	-	-	(102)	(1,999)	(2,101)	(12)	(2,113)
At 30 June 2018	77,653	2,772	34,952	-	(120)	(63,192)	52,065	365	52,430

(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)/Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Company (Unaudited)					
At 1 April 2019	77,653	2,772	-	(2,342)	78,083
Loss for the financial year	-	-	-	(767)	(767)
Total comprehensive income for the financial year	-	-	-	(767)	(767)
At 30 June 2019	77,653	2,772	-	(3,109)	77,316
At 1 April 2018 (As previously reported)	77,653	2,772	995	1,783	83,203
Effects of adopting of Singapore Financial Reporting Standards (International)	-	-	(995)	995	-
At 1 April 2018 (As restated)	77,653	2,772	-	2,778	83,203
Loss for the financial period	-	-	-	(603)	(603)
Total comprehensive income for the financial period	-	-	-	(603)	(603)
At 30 June 2018	77,653	2,772	-	2,175	82,600

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 31 March 2019 to the three months ended 30 June 2019 were as follows:-

Ordinary shares

	Number of shares	\$
Issued and fully paid ordinary shares as at 31 March 2019	907,971,182	77,653,368
Issued and fully paid ordinary shares as at 30 June 2019	907,971,182	77,653,368

Warrants

As at 30 June 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 30 June 2019, there were no warrants existing as the abovementioned warrants had expired on 29 March 2019.

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

On 28 March 2019 under the Tritech Group Performance Share Plan, 40,000,000 share awards were granted to 5 eligible employees of the Group and the aggregate number of shares granted to the eligible employees is 40,000,000. The details of the said grant can be obtained from the Company's announcement dated 28 March 2019. The Company has 40,000,000 share awards which remains unvested as at 30 June 2019. The Company did not have any share awards as at 30 June 2018.

Treasury shares and subsidiary holdings

The Company did not have any treasury shares or subsidiary holdings as at 30 June 2018 and 30 June 2019.

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 30.06.2019	As at 31.03.2019
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 year 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 year 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 year as those used in the most recently audited annual financial statements for the financial year ended 31 March 2019.

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.

The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases, which took effect on 1 April 2019, using the modified retrospective approach. SFRS(I) 16 introduces a single, on-balance sheet lease accounting model. It requires a lessee to recognise a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. In applying the modified retrospective approach, the cumulative effect of adopting SFRS(I) 16 is recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information. Subsequent to initial recognition, the Group will depreciate the ROU assets over the lease term and recognise interest expenses on the lease liabilities. The ROU assets as at 30 June 2019 amounting to S\$2.1 million were mainly related to leases of office premises occupied by the Group. Accordingly, there was a corresponding increase in lease liabilities of S\$2.6 million as at 30 June 2019.

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.

	1Q2020 (Unaudited)	1Q2019 (Unaudited)
Loss per share from continuing operations		
(a) Basic loss per share (SGD cents) ^(a)	(0.24)	(0.21)
(b) Diluted loss per share (SGD cents) ^(b)	(0.24)	(0.21)
Profit/(Loss) per share from continuing and discontinued operations		
(a) Basic profit/(loss) per share (SGD cents) ^(a)	0.30	(0.22)
(b) Diluted profit/(loss) per share (SGD cents) ^(b)	0.30	(0.22)

- (a) Basic profit/(loss) per share of the Group for the financial year ended 30 June 2019 (“1Q2020”) is calculated based on the weighted average number of ordinary shares in issue of 907,971,182.

Basic profit/(loss) per share of the Group for the financial year ended 30 June 2018 (“1Q2019”) is calculated based on the weighted average number of ordinary shares in issue of 907,971,182.

- (b) Diluted profit/(loss) per share of the Group in 1Q2020 and 1Q2019 are the same as the basic profit/(loss) per share assuming that no potential ordinary shares are to be issued under CLA and the bonus warrants as 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:-

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

	Group		Company	
	1Q2020 (Unaudited)	FY2019 (Audited)	1Q2020 (Unaudited)	FY2019 (Audited)
Net asset value per ordinary share based on issued share capital (SGD cents)	2.98	2.94	8.52	8.60

The net asset value per ordinary share of the Group and the Company as at 30 June 2019 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 907,971,182 (31 March 2019: 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:-
- 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

A. Continuing operations 1Q2020 compared with 1Q2019

The Group's revenue decreased mainly due to the decrease in revenue of water-related and environmental business arising from completion of certain projects.

The decrease in the Group's gross profit was in line with the decrease in revenue of water-related and environmental business. Gross profit margin remains relatively unchanged at approximately 21%.

The increase in the Group's other income was mainly due to sundry income arising from grant received from government in PRC.

The decrease in the Group's administrative expenses was mainly due to lower staff related costs due to cost cutting measures.

The additional depreciation for right-of-use assets was due to adoption of new SFRS(I)16 leases. The increase in fair value loss on investment securities related to the shares of Capital World Limited held by the Company.

The increase in the Group's finance costs was mainly due to increase in bank borrowings and shareholders' loan.

As a result of the above, the Group recorded a higher loss after tax in 1Q2020 as compared to 1Q2019.

B. Discontinued operations - Presscrete Engineering Pte. Ltd.

On 22 May 2019, the Company announced that the disposal of Presscrete Engineering Pte. Ltd. ("Presscrete") had been completed on 21 May 2019. Accordingly, Presscrete has ceased to be a subsidiary of the Company.

In accordance with SFRS(I) 5, the results of Presscrete have been presented separately on the consolidation income statement as discontinued operation. Presscrete recorded profit of \$0.5 million and loss of \$0.1 million in 1Q2020 and 1Q2019 respectively. The Group recorded an estimated gain of \$4.4 million from the disposal of Presscrete. The actual amount for gain on disposal will be finalised upon completion of certain projects as per Sales and Purchase Agreement.

Overall, the Group recorded a profit after tax of \$2.7 million in 1Q2020 as compared to a loss after tax of \$2.0 million in 1Q2019.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current assets of the Group's increase mainly due to recognition of a right-of-use ("ROU") asset from the adoption of SFRS(I) 16, addition of new plant and equipment offset against amortisation and depreciation charges of \$1.0 million and foreign exchange translation loss of \$0.5 million.

Current assets, excluding the assets held for sale, decreased mainly due the decrease in (i) contract assets upon completion of certain projects from the engineering business and water-related and environment business, (ii) investment securities relating to fair value adjustment of Capital World Limited's shares and (iii) cash and bank balances as explained in the section entitled 'review of cash flow statement of the group', offset against the increase in (i) trade and other receivables arising from amount due from Presscrete to the Group following the completion of the disposal of Presscrete and (ii) inventories.

Current liabilities, excluding the liabilities associated with the disposed subsidiary, decreased mainly due to the decrease in (i) trade and other payables arising from settlement of liabilities and in line with the decrease in cost of sales, (ii) absence of contract liabilities due to recognition of deferred income, and (iii) decrease in bank borrowings. The decrease in current liabilities was partially offset by the increase in (i) lease liabilities arising from the adoption of SFRS(I) 16 and (ii) interest bearing loans from shareholders.

Non-current liabilities increased mainly due to the lease liabilities arising from the adoption of SFRS(I) 16.

The Group had a negative working capital of \$8.1 million as at 30 June 2019 as compared to a negative working capital of \$9.5 million as at 31 March 2019. Notwithstanding the negative working capital, the Board is of the reasonable opinion that, after having made due and careful enquiry, the Group expects to meet its obligations as and when they are due after taking into consideration, *inter alia*, the disposal of the Group's 60% shareholding in its subsidiary Trittech Environmental Group Co Ltd ("Trittech Environmental"), expected progressive receipt of possible further sale proceeds from the disposal of Presscrete and the proceeds from the issuance of placement shares in July 2019.

REVIEW OF CASH FLOW STATEMENT OF THE GROUP

The net cash generated from operating activities in 1Q2020 was mainly due to decrease in trade and other payables, decrease in contract liabilities and contract assets offset with the increase in trade and other receivables.

Net cash used in investing activities in 1Q2020 was mainly due to purchased of new plant and machinery and cash outflow due to the deconsolidation of a subsidiary arising from the disposal.

Net cash of \$3.7 million was used in financing activities in 1Q2020 as the Group repaid its liabilities more than it borrowed during the financial period under review and the decreased in fixed deposit as security was due to full settlement of certain bank borrowings.

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.

The construction industry is expected to remain challenging and margins competitive. The engineering business will focus more on projects with a higher technology content that have less competition and generate reasonable profit margin. We are also marketing our in-house construction related technologies, like tunnel excavation and monitoring system (TEMs), Big data analysis, targetless survey monitoring and Horizontal Directional Coring (HDC), where we are a leading player in the market.

As set out in its announcement dated 26 July 2019, the Group has sold 60% of its shareholding in its subsidiary Trittech Environmental to Qingdao Ocean Group and Rongtai Construction (please refer to the announcement dated 26 July 2019). Upon completion of the sale, Trittech Environmental will become a subsidiary of Qingdao Ocean Group and become part of a state-owned enterprise. The addition of these two shareholders in Trittech Environmental Group will allow it to have opportunities to secure more projects and working capital and speed up its business development and become a leading water treatment company in China. This is expected to bring significant economic value to the Group.

The Group continues to focus on becoming a supplier of membrane-related products through its subsidiary Trittech Water Technologies Pte Ltd to water-treatment plants in the regional markets. Barring unforeseen circumstances, the Group expects its marketing efforts to yield results in the next 12 months. The Group will also tap on its expertise in providing water quality monitoring services to further grow its business.

Following the completion of the sale of Presscrete Engineering Pte Ltd and Trittech Environmental Group and the receipt of the expected sale proceeds in connection therewith, the Group expects its financial performance and/or financial position to be improved.

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.

No dividend has been declared or recommended for the financial period ended 30 June 2019. The Company did not declare any dividend as the continuing operations of the Company was in a loss-making position.

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.

The aggregate value of all IPT entered into by the Group during the financial period is set out below:

Name of interested person	Aggregate value of all interested person transactions during the relevant period (\$'000)
Loh Chang Kaan - Consultancy services ⁽¹⁾	402

Note:

⁽¹⁾ The value computed above is the total value of the Service Agreements for a period of 12 months.

In connection with the Disposal of Presscrete ("Disposal"), TGL Engineering Group Pte Ltd ("TGL Engineering") has on 21 May 2019 entered into a consultancy contract with Dr Loh Chang Kaan ("Dr Loh") pursuant to which TGL Engineering has requested Dr Loh to provide certain consultancy services, including services to be provided to Presscrete, as further elaborated below.

Under the terms of the Disposal, TGL Engineering was supposed to procure Dr Loh's agreement to assist Presscrete in undertaking the completion of all the agreed projects of Presscrete on an unremunerated basis, and Dr Loh has agreed with TGL Engineering to render such services to Presscrete in accordance with the terms and conditions of the consultancy contract.

The remuneration payable to Dr Loh pursuant to the said TGL Engineering consultancy contract and for additional consultancy services to be provided by Dr Loh to Trittech Consultant Pte. Ltd. ("Trittech Consultant"), a subsidiary of the Company, pursuant to a consultancy contract entered into between Dr Loh and Trittech Consultant (collectively the "Service Agreements"), will take effect in the financial year ending 31 March 2020.

14. Update on use of placement proceeds

As at the date of this announcement, the net proceeds raised from the issuance of placement shares in July 2019 has been utilised by the Group according to the intended uses as follows:

	Allocated \$'000	Utilised \$'000	Balance \$'000
General working capital for water-related and environmental business	976	(299) ⁽¹⁾	677

⁽¹⁾ The amount allocated for working capital had been utilised for the payment of finance cost, staff related cost and suppliers.

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

The Company has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7H) under Rule 720(1).

16. 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 ended 30 June 2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr Wang Xiaoning

Managing Director

13 August 2019