

## **THE STRATECH GROUP LIMITED**

(Incorporated in the Republic of Singapore)

*Company Registration No: 201430212R*

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### **PROFIT GUIDANCE FOR FY2016 BASED ON UNAUDITED MANAGEMENT ACCOUNTS**

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The Board of Directors (the "Board") of The Stratech Group Limited ("the Company", together with its subsidiaries, the "Group") wishes to announce that the Group is expected to report a net loss for the financial year ending 31 March 2016 ("FY2016").

The loss is mainly attributed to:

- (1) Lower revenue due to late award of several projects which the Group had expected to commence earlier. As a result, a greater portion of revenue from these projects is expected to be recognised in FY2017;
- (2) Increase in costs, including staff costs to build up the operations team and the rental of facilities to deliver secured projects and targeted contracts.

This profit guidance is based on a preliminary review of the unaudited consolidated management accounts of the Group for FY2016. Further details of the Group's financial performance will be disclosed when the Group announces its unaudited FY2016 financial results on or before 30 May 2016.

The Board would also like to provide guidance that the Group has about S\$55 million worth of orders, including options. Up to about one-third of these contracts, barring unforeseen circumstances and subject to accounting treatment of revenue, are expected to be delivered in FY2017 in accordance with the milestone delivery schedules of the projects. The Group continues to work on securing more contracts and will provide further updates as may be appropriate.

By Order of the Board

Leong Sook Ching

Company Secretary

30 March 2016