



**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 YEAR FROM 1 APRIL 2013 TO 31 MARCH 2014 (“FY2014”)**

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This announcement has been prepared by Trittech Group Limited (the “Company”) and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The Sponsor has not independently verified the contents of this announcement.

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**PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), 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.

|   | FY2014<br>(unaudited) | FY2013<br>(audited) | Change |
|---|-----------------------|---------------------|--------|
|   | \$'000                | \$'000              | %      |
| <b>Revenue</b>  | 55,674                | 50,958              | 9.3    |
| Cost of sales   | (42,526)              | (35,648)            | 19.3   |
| <b>Gross profit</b>   | 13,148                | 15,310              | (14.1) |
| Other items of income   |                       |                     |        |
| Interest income   | 52                    | 47                  | 10.6   |
| Other income  | 8,781                 | 597                 | n.m.   |
|   | 8,833                 | 644                 | n.m.   |
| Other items of expenses   |                       |                     |        |
| Distribution expenses   | (907)                 | (758)               | 19.7   |
| Administrative expenses   | (13,560)              | (10,185)            | 33.1   |
| Other expenses  | (13,945)              | (8,683)             | 60.6   |
| Finance costs   | (2,136)               | (1,447)             | 47.6   |
| <b>Loss before income tax</b>   | (8,567)               | (5,119)             | 67.4   |
| Income tax (expenses)/refund  | (156)                 | 1,534               | n.m.   |
| <b>Loss after income tax</b>  | (8,723)               | (3,585)             | 143.3  |
| <b>Other comprehensive income:</b>  |                       |                     |        |
| Exchange differences on translating foreign operations, net of tax of \$nil | 285                   | (90)                | n.m.   |
| <b>Total comprehensive income for the financial year</b>                    | (8,438)               | (3,675)             | 129.6  |
| <b>Loss attributable to:</b>  |                       |                     |        |
| Owners of the parent  | (8,723)               | (3,585)             | 143.3  |
| <b>Total comprehensive income attributable to:</b>                          |                       |                     |        |
| Owners of the parent  | (8,438)               | (3,675)             | 129.6  |

n.m. not meaningful

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

|   | FY2014<br>(unaudited)<br>\$'000 | FY2013<br>(audited)<br>\$'000 | Change<br>% |
|---|---------------------------------|-------------------------------|-------------|
| <b>Other income</b>   |                                 |                               |             |
| Gain on disposal of property, plant and equipment                                   | -                               | 52                            | n.m.        |
| Gain on bargain purchase  | 7,556                           | -                             | n.m.        |
| Rental income   | 401                             | 374                           | 7.2         |
| Sundry income   | 824                             | 171                           | 381.8       |
| Interest income   | 52                              | 47                            | 10.6        |
| <b>Cost of sales, distribution, administrative and other expenses</b>               |                                 |                               |             |
| Depreciation of property, plant and equipment                                       | (3,708)                         | (3,123)                       | 18.7        |
| Operating lease expense   | (580)                           | (589)                         | (1.5)       |
| Interest expense  | (2,136)                         | (1,320)                       | 61.8        |
| Amortisation of land use right  | -                               | (55)                          | n.m.        |
| Amortisation of intangible assets   | (106)                           | (105)                         | 1.0         |
| Amortisation of mining rights   | (491)                           | (491)                         | -           |
| Fair value loss on convertible bond designated as fair value through profit or loss | (7,190)                         | (2,119)                       | 570.7       |
| Plant and equipment written off   | (173)                           | (179)                         | (3.4)       |
| Loss on disposal of property, plant and equipment                                   | (53)                            | -                             | 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<br>As at<br>31/3/2014<br>(unaudited)<br>\$'000 | As at<br>31/3/2013<br>(audited)<br>\$'000 | Company<br>As at<br>31/3/2014<br>(unaudited)<br>\$'000 | As at<br>31/3/2013<br>(audited)<br>\$'000 |
|--|--|---|--|---|
| <b>Non-current assets</b>                                |  |   |  |   |
| Property, plant and equipment                            | 52,676   | 37,785                                    | 1,127  | 571                                       |
| Investments in subsidiaries                              | -  | -   | 63,723   | 59,638                                    |
| Land use right   | 8,074  | 2,586                                     | -  | -   |
| Mining rights  | 14,741   | 15,233                                    | -  | -   |
| Intangible assets  | 4,986  | 1,746                                     | -  | -   |
| Prepayment (land)  | 394  | -   | -  | -   |
| Deferred tax assets                                      | 2  | -   | -  | -   |
| Trade receivables  | 990  | -   | -  | -   |
|  | 81,863   | 57,350                                    | 64,850   | 60,209                                    |
| <b>Current assets</b>                                    |  |   |  |   |
| Inventories  | 4,625  | 1,436                                     | -  | -   |
| Trade and other receivables                              | 9,904  | 7,831                                     | 15,895   | 10,795                                    |
| Tax recoverable  | -  | 18  | -  | -   |
| Prepayments  | 2,915  | 729                                       | 62   | 60  |
| Amounts due from contract customers                      | 45,136   | 36,710                                    | -  | -   |
| Cash and cash equivalents                                | 19,391   | 20,560                                    | 9,104  | 2,861                                     |
|  | 81,971   | 67,284                                    | 25,061   | 13,716                                    |
| Less:  |  |   |  |   |
| <b>Current liabilities</b>                               |  |   |  |   |
| Trade and other payables                                 | 15,613   | 15,700                                    | 1,817  | 5,179                                     |
| Amounts due to contract customers                        | 1,546  | 781                                       | -  | -   |
| Bank borrowings  | 14,551   | 11,898                                    | 6,091  | 5,825                                     |
| Convertible bond   | 24,309   | 17,119                                    | -  | -   |
| Loan from a shareholder                                  | -  | 2,000                                     | -  | 2,000                                     |
| Finance lease payables                                   | 2,508  | 2,729                                     | -  | -   |
| Current income tax payable                               | 1,745  | 103                                       | 112  | 51  |
|  | 60,272   | 50,330                                    | 8,020  | 13,055                                    |
| <b>Net current assets</b>                                | 21,699   | 16,954                                    | 17,041   | 661                                       |
| <b>Non-current liabilities</b>                           |  |   |  |   |
| Bank borrowings  | (5,194)  | (6,100)                                   | (4,891)  | (6,100)                                   |
| Finance lease payables                                   | (1,623)  | (2,927)                                   | -  | -   |
| Deferred tax liabilities                                 | (7,476)  | (2,966)                                   | -  | -   |
|  | (14,293)   | (11,993)                                  | (4,891)  | (6,100)                                   |
| <b>Net assets</b>  | 89,269   | 62,311                                    | 77,000   | 54,770                                    |
| <b>Equity</b>  |  |   |  |   |
| Share capital  | 67,174   | 44,713                                    | 67,174   | 44,713                                    |
| Reserves   | 22,095   | 17,598                                    | 9,826  | 10,057                                    |
| <b>Total equity attributable to owners of the parent</b> | 89,269   | 62,311                                    | 77,000   | 54,770                                    |

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 March 2014   |           | As at 31 March 2013   |           |
|----------------------------------|-----------------------|-----------|-----------------------|-----------|
|                                  | (unaudited)           |           | (audited)             |           |
|                                  | Secured               | Unsecured | Secured               | Unsecured |
|                                  | \$'000                | \$'000    | \$'000                | \$'000    |
| Amount repayable within one year | 38,824 <sup>(1)</sup> | 2,544     | 23,813 <sup>(1)</sup> | 12,818    |
| Amount repayable after one year  | 6,817                 | -         | 6,142                 | -         |
|                                  | 45,641                | 2,544     | 29,955                | 12,818    |

<sup>(1)</sup> On 16 November 2012, the Company entered into a convertible bond agreement with its wholly-owned subsidiary, Terratech Resources Pte. Ltd. ("Terratech Resources") and two other investors (the "Investors") in respect of the issuance by Terratech Resources and the subscription by the Investors of convertible bonds with an aggregate principal amount of up to S\$15 million ("Convertible Bonds"). These Convertible Bonds are convertible into shares of Terratech Resources (or the relevant holding company of Terratech Resources in connection with the proposed listing of the Group's resource business) upon Terratech Resources or such holding company obtaining the relevant approvals to be listed on a recognised stock exchange and has a maturity date of 3 years from the date of issue of the Convertible Bonds ("Maturity Date"). In the event of, *inter alia*, Terratech Resources remaining unlisted by the Maturity Date, the Investors are able to exchange their Convertible Bonds for new shares in the Company at an issue price computed based on the average volume weighted closing prices of the Company's shares as at the relevant time of such exchange. The Convertible Bonds are secured by a guarantee granted by the Company in favour of the Investors. The Convertible Bonds had been issued to the Investors on 23 November 2012.

Further information on the Convertible Bonds can be found in the Company's announcement released on SGXNET dated 19 November 2012 and 23 November 2012.

The banking facilities of the Group comprised bank guarantees, finance lease obligations and term loans. 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 institution;
- (iii) all fresh monies guarantee by certain subsidiaries;
- (iv) corporate guarantee from the Company; and
- (v) the land use right of the Company's subsidiary in the People's Republic of China.

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.

|   | Group       |           |
|---|-------------|-----------|
|   | FY2014      | FY2013    |
|   | (unaudited) | (audited) |
|   | \$'000      | \$'000    |
| <b>Operating activities</b>   |             |           |
| Loss before income tax  | (8,567)     | (5,119)   |
| Adjustments for:  |             |           |
| Amortisation of intangible assets   | 106         | 105       |
| Amortisation of mining rights   | 491         | 491       |
| Amortisation of land use rights   | -           | 55        |
| Allowance for doubtful trade receivables  | -           | 29        |
| Depreciation of property, plant and equipment                                       | 3,708       | 3,123     |
| Fair value loss on convertible bond designated as fair value through profit or loss | 7,190       | 2,119     |
| Loss/(Gain) on disposal of property, plant and equipment                            | 53          | (52)      |
| Gain on bargain purchase  | (7,556)     | -         |
| Interest income   | (52)        | (47)      |
| Interest expense  | 2,136       | 1,320     |
| Plant and equipment written off   | 173         | 179       |
| Employee share option scheme  | 66          | 339       |
| Operating cash flow before working capital changes                                  | (2,252)     | 2,542     |
| Working capital changes:  |             |           |
| Inventories   | (3,188)     | (750)     |
| Trade and other receivables   | (3,447)     | (6,931)   |
| Prepayments   | (540)       | (183)     |
| Trade and other payables  | (3,894)     | 1,116     |
| Cash used in operations   | (13,321)    | (4,206)   |
| Income taxes refund/paid  | 1,113       | (443)     |
| Interest received   | 52          | 47        |
| Net cash used in operating activities   | (12,156)    | (4,602)   |

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. (continued)

|   | Group                 |                     |
|---|-----------------------|---------------------|
|   | FY2014<br>(unaudited) | FY2013<br>(audited) |
|   | \$'000                | \$'000              |
| <b>Investing activities</b>   |                       |                     |
| Addition of intangible assets   | (48)                  | (84)                |
| Purchase of property, plant and equipment                                 | (4,750)               | (7,565)             |
| Prepayment for purchase of land   | (394)                 | -                   |
| Proceeds from disposal of property, plant and equipment                   | 58                    | 54                  |
| Net cash used in investing activities                                     | (5,134)               | (7,595)             |
| <b>Financing activities</b>   |                       |                     |
| (Increase)/Decrease in fixed deposit pledged                              | (7)                   | 488                 |
| Proceeds from bank borrowings   | 4,082                 | 13,474              |
| Repayments of bank borrowings   | (3,299)               | (9,451)             |
| Repayments of finance lease obligations                                   | (2,475)               | (2,373)             |
| Repayment of shareholder loan   | (2,000)               | -                   |
| Dividends paid  | -                     | (730)               |
| Proceeds from issuance of convertible bond                                | -                     | 15,000              |
| Proceeds from issue of shares, net of expenses                            | 21,442                | 2,667               |
| Interest paid   | (1,712)               | (899)               |
| Net cash from financing activities  | 16,031                | 18,176              |
| Net change in cash and cash equivalents                                   | (1,259)               | 5,979               |
| Cash and cash equivalents at beginning of financial year                  | 14,021                | 8,079               |
| Currency translation differences  | (268)                 | (37)                |
| Cash and cash equivalents at end of financial year                        | 12,494                | 14,021              |
| <b>Cash and cash equivalents comprise:</b>                                |                       |                     |
| Fixed deposits with bank  | 4,457                 | 4,369               |
| Cash and bank balances  | 14,935                | 16,191              |
| Cash and cash equivalents on consolidated statement of financial position | 19,392                | 20,560              |
| Bank overdraft  | (2,544)               | (2,192)             |
| Fixed deposit pledged   | (4,354)               | (4,347)             |
| Cash and cash equivalents on consolidated statement of cash flow          | 12,494                | 14,021              |

(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

|   | Share capital | Other reserve | Employee share option reserve | Warrants reserve | Foreign currency translation account | Revaluation reserve | Retained earnings | Total equity attributable to owners of the parent |
|---|---------------|---------------|-------------------------------|------------------|--------------------------------------|---------------------|-------------------|---|
| Group   | \$'000        | \$'000        | \$'000                        | \$'000           | \$'000                               | \$'000              | \$'000            | \$'000  |
| Balance at 1.4.2013   | 44,713        | 3,243         | 890                           | 295              | (262)                                |                     | 13,432            | 62,311  |
| <b>Loss for the financial year</b>                                | -             | -             | -                             | -                | -                                    |                     | (8,723)           | (8,723)   |
| <b>Other comprehensive income for the financial year</b>          |               |               |                               |                  |                                      |                     |                   |   |
| Foreign currency differences on translation of foreign operations | -             | -             | -                             | -                | 285                                  |                     | -                 | 285   |
| <b>Total comprehensive income for the financial year</b>          | -             | -             | -                             | -                | 285                                  |                     | (8,723)           | (8,438)   |
| <b>Contributions by and distributions to owners of the parent</b> |               |               |                               |                  |                                      |                     |                   |   |
| Issuance of shares  | 21,450        | -             | -                             | -                | -                                    | -                   | -                 | 21,450  |
| Transfer to share capital upon exercise of warrants               | 63            | -             | -                             | (63)             | -                                    | -                   | -                 | -   |
| Transfer to retained earnings upon expiry of warrants             | -             | -             | -                             | (232)            | -                                    | -                   | 232               | -   |
| Transfer to share capital upon exercise of employee share option  | 956           | -             | (956)                         | -                | -                                    | -                   | -                 | -   |
| Grant of equity settled share options to employees                | -             | -             | 66                            | -                | -                                    | -                   | -                 | 66  |
| Split share expenses  | (8)           | -             | -                             | -                | -                                    | -                   | -                 | (8)   |
| Dividends   | -             | -             | -                             | -                | -                                    | -                   | -                 | -   |
| Revaluation reserves  | -             | -             | -                             | -                | -                                    | 13,888              | -                 | 13,888  |
| <b>Total transactions with owners of the parent</b>               | 22,461        | -             | (890)                         | (295)            | -                                    | 13,888              | 232               | 35,396  |
| Balance at 31.3.2014  | 67,174        | 3,243         | -                             | -                | 23                                   | 13,888              | 4,941             | 89,269  |



(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)

| Group  | Share capital<br>\$'000 | Other reserve<br>\$'000 | Employee share option reserve<br>\$'000 | Warrants reserve<br>\$'000 | Foreign currency translation account<br>\$'000 | Retained earnings<br>\$'000 | Total equity attributable to owners of the parent<br>\$'000 |
|--|-------------------------|-------------------------|---|----------------------------|--|-----------------------------|---|
| Balance at 1.4.2012  | 41,967                  | 3,243                   | 552                                     | 374                        | (172)  | 17,747                      | 63,711  |
| <b>Loss for the financial year</b>                                   | -                       | -                       | -                                       | -                          | -  | (3,585)                     | (3,585)   |
| <b>Other comprehensive income for the financial year</b>             |                         |                         |   |                            |  |                             |   |
| Foreign currency differences on translation of foreign operations    | -                       | -                       | -                                       | -                          | (90)   | -                           | (90)  |
| <b>Total comprehensive income for the financial year</b>             | -                       | -                       | -                                       | -                          | (90)   | (3,585)                     | (3,675)   |
| <b>Contributions by and distributions to owners of the parent</b>    |                         |                         |   |                            |  |                             |   |
| Issuance of shares pursuant to exercise of warrants, net of expenses | 2,667                   | -                       | -                                       | -                          | -  | -                           | 2,667   |
| Grant of equity settled share options to employees                   | -                       | -                       | 338                                     | -                          | -  | -                           | 338   |
| Transfer to share capital upon exercise of warrants                  | 79                      | -                       | -                                       | (79)                       | -  | -                           | -   |
| Dividends  | -                       | -                       | -                                       | -                          | -  | (730)                       | (730)   |
| <b>Total transactions with owners of the parent</b>                  | 2,746                   | -                       | 338                                     | (79)                       | -  | (730)                       | 2,275   |
| Balance at 31.3.2013   | 44,713                  | 3,243                   | 890                                     | 295                        | (262)  | 13,432                      | 62,311  |

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

| Company   | Share<br>capital<br>\$'000 | Other<br>reserve<br>\$'000 | Employee<br>share option<br>reserve<br>\$'000 | Warrants<br>reserve<br>\$'000 | Revaluation<br>reserve<br>\$'000 | Retained<br>earnings<br>\$'000 | Total<br>\$'000 |
|---|----------------------------|----------------------------|---|-------------------------------|----------------------------------|--------------------------------|-----------------|
| Balance at 1.4.2013   | 44,713                     | 3,243                      | 890   | 295                           | -                                | 5,629                          | 54,770          |
| Profit for the financial year, representing total comprehensive income for the financial year | -                          | -                          | -   | -                             | -                                | 155                            | 155             |
| Total comprehensive income for the financial year   | -                          | -                          | -   | -                             | -                                | 155                            | 155             |
| <b>Contributions by and distributions to owners of the parent</b>                             |                            |                            |   |                               |                                  |                                |                 |
| Issuance of shares  | 21,450                     | -                          | -   | -                             | -                                | -                              | 21,450          |
| Grant of equity settled share options to employees  | -                          | -                          | 66  | -                             | -                                | -                              | 66              |
| Transfer to share capital upon exercise of warrants   | 63                         | -                          | -   | (63)                          | -                                | -                              | -               |
| Transfer to retained earnings upon expiry of warrants   | -                          | -                          | -   | (232)                         | -                                | 232                            | -               |
| Transfer to share capital upon exercise of employee share option                              | 956                        | -                          | (956)   | -                             | -                                | -                              | -               |
| Revaluation reserve   | -                          | -                          | -   | -                             | 567                              | -                              | 567             |
| Split share expenses  | (8)                        | -                          | -   | -                             | -                                | -                              | (8)             |
| <b>Total transactions with owners of the parent</b>   | <b>22,461</b>              | <b>-</b>                   | <b>(890)</b>                                  | <b>(295)</b>                  | <b>567</b>                       | <b>232</b>                     | <b>22,075</b>   |
| Balance at 31.3.2014  | 67,174                     | 3,243                      | -   | -                             | 567                              | 6,016                          | 77,000          |

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

| Company   | Share<br>capital<br>\$'000 | Other<br>reserve<br>\$'000 | Employee<br>share option<br>reserve<br>\$'000 | Warrants<br>reserve<br>\$'000 | Retained<br>earnings<br>\$'000 | Total<br>\$'000 |
|---|----------------------------|----------------------------|---|-------------------------------|--------------------------------|-----------------|
| Balance at 1.4.2012   | 41,967                     | 3,243                      | 551   | 374                           | 6,884                          | 53,019          |
| Loss for the financial year, representing total comprehensive income for the financial year | -                          | -                          | -   | -                             | (525)                          | (525)           |
| Total comprehensive income for the financial year   | -                          | -                          | -   | -                             | (525)                          | (525)           |
| <b>Contributions by and distributions to owners of the parent</b>                           |                            |                            |   |                               |                                |                 |
| Issuance of shares pursuant to exercise of warrants   | 2,667                      | -                          | -   | -                             | -                              | 2,667           |
| Grant of equity settled share options to employees  | -                          | -                          | 339   | -                             | -                              | 339             |
| Transfer to share capital upon exercise of warrants   | 79                         | -                          | -   | (79)                          | -                              | -               |
| Dividends   | -                          | -                          | -   | -                             | (730)                          | (730)           |
| Total transactions with owners of the parent  | 2,746                      | -                          | 339   | (79)                          | (730)                          | 2,276           |
| Balance at 31.3.2013  | 44,713                     | 3,243                      | 890   | 295                           | 5,629                          | 54,770          |

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Details of the changes in the issued and paid-up capital of the Company since 31 December 2013 to 31 March 2014 are as follows:-

Ordinary shares

|  | Number of shares | \$                   |
|--|------------------|----------------------|
| Issued and fully paid ordinary shares as at 31 December 2013     | 386,574,593      | 66,225,734           |
| Allotment and issue of new ordinary shares after the share split | 386,574,593      | (7,929) <sup>1</sup> |
| Issued and fully paid ordinary shares as at 31 March 2014        | 773,149,186      | 66,217,805           |

Note:

The expenses incurred in relation to the share split were capitalised.

Warrants

All outstanding warrants issued pursuant to the Company's rights issue of warrants in year 2010 had lapsed and ceased to be valid on 8 April 2013 (As at 31 March 2013: 39,947,755 outstanding warrants). As at 31 March 2014, 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 the exercise price of S\$0.20 for each new share.

Employee Share Options

The Company had granted 5,880,000 share options (the "Share Options") as at 7 July 2011 to directors and employees to subscribe for unissued ordinary shares pursuant to the Trittech Group Employee Share Option Scheme of which 5,760,000 Shares Options had been accepted.

All outstanding Share Options had been fully exercised on 4 October 2013 and there was no Share Option granted in FY2014. As at 31 March 2014, there was no outstanding Share Option (As at 31 March 2013: 5,440,000 Share Options were outstanding which can be exercised into 5,440,000 shares of the Company).

Convertible Bonds

As the Investors' right to exchange the Convertible Bonds into new shares of the Company is subject to certain conditions, including whether or not the proposed listing of Terratech Resources or relevant holding company of Terratech Resources takes place, and the issue price of the new shares of the Company in the event of such exchange taking place shall be based on the average volume weighted closing prices of the Company's existing shares as at the relevant time of exchange, it is not meaningful to illustrate the number of new shares of the Company that may be issued on exchange of the Convertible Bonds as at 31 March 2014.

Treasury shares

The Company did not have any treasury shares as at 31 March 2014 and as at 31 March 2013.

**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.**

|   | <u>As at 31.03.2014</u> | <u>As at 31.03.2013</u> |
|---|-------------------------|-------------------------|
| Total number of issued shares excluding treasury shares | 773,149,186             | 298,748,093             |

The Company did not have any treasury shares as at 31 March 2014 and 31 March 2013.

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

Not applicable. There was no treasury shares 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 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 of below, the Group has applied the same accounting policies and methods of computation in the financial statements for FY2014 as those used in the most recently audited annual financial statements for the financial year ended 31 March 2013.

**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.**

For FY2014, 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 FY2014. The adoption of these new and/or revised FRS and INT FRS did not result in any substantial changes to the Group’s and Company’s accounting policies and has no material effect on the financial statements for the current or prior financial years. As at 31 March 2014, the Group had adopted a revaluation model in place of cost as it’s accounting policy for the Group’s leasehold properties and land use right.

**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.**

|   | <b>31.03.2014</b> | <b>31.03.2013</b> |
|---|-------------------|-------------------|
|   | <b>12 Months</b>  | <b>12 Months</b>  |
|   | <b>Ended</b>      | <b>Ended</b>      |
| (a) Basic (loss)/earnings per share (SGD cents)   | (2.33)            | (1.23)            |
| (b) Diluted (loss)/earnings per share (SGD cents) | (2.33)            | (1.23)            |

(a) Basic loss per share of the Group in FY2014 are calculated based on the weighted average number of ordinary shares in issue of 373,874,360.

Basic earnings per share of the Group for the financial year ended 31 March 2013 (“FY2013”) are calculated based on the weighted average number of ordinary shares in issue of 292,363,922.

(b) Diluted loss per share in FY2014 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the share conversions would be to decrease the loss per share.

Diluted loss per share in FY2013 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the share conversions would be to decrease the loss per share.

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 |        |
|--|--------|--------|---------|--------|
|  | FY2014 | FY2013 | FY2014  | FY2013 |
| Net asset value per ordinary share based on issued share capital (SGD cents) | 11.54  | 20.86  | 9.96    | 18.33  |

The net asset value per ordinary share of the Group and the Company as at 31 March 2014 was calculated based on the total issued number of ordinary shares, excluding treasury shares, of 773,149,186 (31 March 2013: 298,748,093).

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

Financial year ended 31 March 2014 ("FY2014") vs financial year ended 31 March 2013 ("FY2013")

The Group's revenue increased by \$4.7 million from \$51.0 million in FY2013 to \$55.7 million in FY2014. The increase was mainly due to the increase in revenue from the water-related and environmental business by S\$5.5 million, revenue recognized from the sale of its marble products of \$0.6 million. The increase was partially offset by a decrease in revenue from the engineering business of approximately \$1.1 million. The Group's engineering business comprises the specialist engineering services and ground and structural engineering services.

The Group's gross profit decreased by \$2.2 million from \$15.3 million in FY2013 to \$13.1 million in FY2014. The gross profit margin decreased from 30.0% in FY2013 to 23.6% in FY2014. The decrease in gross profit margin was mainly due to the increase in direct wages for engineering services as a result of the recent changes in government policy relating to the employment of foreign workers.

The Group's other income increased by \$8.2 million from \$0.6 million in FY2013 to \$8.8 million in FY2014 mainly due to (1) a gain in bargain purchase of \$7.6 million arising from the acquisition of Anhui Clean Environment Biotechnology Co. Ltd ("Anhui"); and (2) an increase in sundry income of \$0.6 million which included, amongst others, staff secondment and government grant.

The Group's administrative expenses increased by \$3.4 million from \$10.2 million in FY2013 to \$13.6 million in FY2014. The increase in administrative expenses was mainly due to an increase in professional fees related to preparation work for the proposed spin-off listing and increase in staff salary and bonuses due to increase in staff headcounts.

Distribution expenses increased by \$0.1 million from \$0.8 million in FY2013 to \$0.9 million in FY2014 mainly due to an increase in the depreciation of motor vehicles and maintenance expenses incurred for the upkeep of motor vehicles.

The Group's other expenses increased by \$5.3 million from \$8.7 million in FY2013 to \$13.9 million in FY2014. The increase in other expenses was mainly due to the increase fair value loss on convertible bond in FY2014.

Finance costs increased by \$0.7 million from \$1.4 million in FY2013 to \$2.1 million in FY2014. The increase in finance cost was mainly due to the increase in bank borrowings in FY2014.

The increase in depreciation charge of \$0.6 million from \$3.1 million in FY2013 to \$3.7 million in FY2014 was mainly due to the purchase of new machinery and equipment.



8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-
- a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on. (continued)

The Group incurred income tax expenses of \$0.2 million in FY2014 as compared to a tax refund of \$1.5 million in FY2013 mainly due to over provision of current income tax and deferred tax in prior financial years.

As a result of the above, the Group recorded a loss after tax of \$8.7 million in FY2014 as compared to a loss after tax of \$3.6 million in FY2013.

#### REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current assets of the Group amounted to \$81.9 million as at 31 March 2014, an increase of \$24.5 million from \$57.4 million as at 31 March 2013. The increase was mainly due to (1) the purchase of additional equipment; (2) the increase of fair value for the leasehold properties and land use right which jointly amounted to \$5.5 million; (3) the recognition of fair value of \$3.2 million for patents and licenses of Anhui; (4) long term trade receivable for a retention sum from contract customers of \$1.0 million; and (5) prepayment for purchase of a plot of land at Gua Musang, Kelatan, Malaysia of \$0.4 million. The increase was partially offset by the amortization of mining rights of \$0.5 million.

Current assets which comprised inventories, trade and other receivables, prepayments, amounts due from contract customers and, cash and cash equivalents, were \$82.0 million as at 31 March 2014, This represented an increase of \$14.7 million from \$67.3 million as at 31 March 2013. The increase was mainly due to the increase in inventories, trade and other receivables, amount due from contract customers and prepayments. The increase in inventories by \$3.2 million was mainly due to the increase in the inventory of marble products and water-related and environmental business in PRC. The increase in trade and other receivables of \$2.0 million was mainly due to trade receivables from the acquisition of Anhui. Prepayments increased by \$2.2 million mainly due to prepayment made to subcontractors and suppliers for the Group's water-related and environmental business in PRC. The increase of \$8.4 million in amount due from contract customers was mainly due to the completion of certain projects in FY2014, including projects in Anhui. The increase was partially offset by decrease in cash and cash equivalents of \$1.2 million.

Current liabilities which comprised trade and other payables, amounts due to contract customers, bank borrowings, derivative financial instruments, loan from a shareholder, finance lease payables and tax payable were \$60.3 million as at 31 March 2014, an increase of \$10.0 million from \$50.3 million as at 31 March 2013. The increase was mainly due to the increase in bank borrowing of \$2.7 million for working capital requirement of Trittech Qingdao Membrane Industry Co., Ltd, PRC, current income tax payable of \$1.6 million, amount due to contract customers of \$0.7 million and increase in fair value of convertible bond of \$7.2 million. This increase was partially offset by the repayment of \$2.0 million loan from a shareholder and a decrease in finance lease payables of \$0.2 million.

Non-current liabilities were \$14.3 million as at 31 March 2014, an increase of \$2.3 million from \$12.0 million as at 31 March 2013. This was mainly due to the increase in deferred tax liabilities of \$4.5 million arising from fair value of leasehold properties and land use right in PRC. This was partially offset

by the decrease in bank borrowings of \$0.9 million and finance lease payables of \$1.3 million as a result of repayment of loan and finance lease obligations.

The Group had a positive working capital of \$21.7 million as at 31 March 2014 as compared to \$17.0 million as at 31 March 2013.

#### REVIEW OF CASH FLOW STATEMENT OF THE GROUP

The Group had a net cash outflow of \$12.2 million from its operating activities in FY2014 due mainly to operating cash outflow of \$2.3 million before working capital changes and working capital outflow of \$11.1 million. The working capital outflow was due to a decrease in trade and other payable as a result of payment to the Group's suppliers, an increase in trade and other receivables mainly due to increase in trade receivables of Anhui and an increase in inventories of its marble products and those held by its water and environmental business in PRC.

Net cash of \$5.1 million was used in investing activities in FY2014, mainly for the purchase of property, plant and equipment for the Group's businesses and for the purchase of land at Gua Musang, Kelantan, Malaysia.

Net cash of \$16.0 million generated from financing activities in FY2014 was mainly due to proceeds from the placement of new shares, exercise of warrants and exercise of share options of \$21.4 million and net proceeds from borrowings of \$0.8 million. This was partially offset by interest paid of \$1.7 million, the repayment of a shareholder loan and finance lease obligation of \$2.0 million and \$2.5 million respectively.

As at 31 March 2014, the Group had cash and cash equivalents amounting to \$12.5 million, a decrease from \$14.0 million as at 31 March 2013.

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

Not applicable. No forecast or a prospect statement had been previously disclosed to shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group's engineering business remains its core business and the management is positive on the long term performance of this business which has continued to remain profitable despite increased competition and higher direct costs in Singapore that impacted its profit margin. As at 30 May 2014, the order book for the engineering business was approximately \$115.1 million as the Group continues to secure new contracts from its major customers.

The Group has built its own unique core competitive edges in the water-related and environmental business, namely 1) complete membrane and membrane related products; 2) advanced and patented anaerobic technologies; and 3) real-time water quality and environmental monitoring technologies, that allow to better position to grasp the market potential and work towards being one of the leading water-related services providers in Singapore and the region. The Group has seen encouraging results for its products and expects growth in the revenue contribution from the water-related and environmental business in the next 12 months.

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. (continued)

Further, the Group's two of the four hills at its marble site are in a commercial production stage and expects to commence commercial production for the remaining two hills soon. As previously announced, the Group has secured various sales contracts for its marble products and these contracts are expected to have a positive contribution to the Group's revenue in the next 12 months. The Group had submitted the pre-admission notification to the SGX-ST on 12 May 2014 for the proposed spin-off listing of the marble business and will be seeking its shareholders' approval for the proposed restructuring and proposed spin-off listing at the Company's extraordinary general meeting to be convened on 11 June 2014. (Please refer to the Company's circular dated 27 May 2014 which had been despatched to shareholders). The Company will make the necessary announcement on the proposed spin-off listing as and when there are further material developments. Meanwhile, the management will continue to work to improve the production and sale of marble products in the PRC and Southeast Asia.

The Company had on 10 April entered in a non-binding memorandum of understanding ("MOU") with Shandong Jining Water Supply Group Company Limited (山东济宁供水有限公司) relating to the Company's proposed acquisition ("Proposed Acquisition") of a 49% equity interest in the share capital of Jining Zhongshan Public Utility Water Company Limited (济宁中山公用水务有限公司) currently owned by Zhongshan Public Utility Company Limited (中山公用事业集团股份有限公司) ("Vendor"). In connection with the Proposed Acquisition, the Company had also entered into a non-binding term sheet with an introducer and a group of proposed lenders in relation to a proposed grant of an aggregate principal amount of approximately S\$42 million ("Proposed Convertible Loan"). The Company is still in discussions with the relevant parties on the Proposed Acquisition and Proposed Convertible Loan and will provide any updates as and when appropriate.

Based on the above developments and barring any unforeseen circumstances, the Group's businesses are expected to achieve continuous revenue growth in the coming 12 months.

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 FY2014.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

13. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

**Business Segments**

For FY2014, the Group was primarily engaged in two business segments, namely:

- a) Engineering business which comprise Specialist Engineering Services & Ground and Structural Engineering Services
- b) Water-related and environmental business which comprise water treatment consultancy, manufacture of water treatment membranes and water quality monitoring.

**Geographical Segments**

No geographical segment is presented as the Group's operations for FY2014 are predominantly in Singapore. However, a geographical breakdown of the Group's assets has been tabulated below.

13. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (continued)

|  | Engineering<br>business | Water-related<br>and<br>environmental<br>Business | Unallocated | Elimination | Consolidated |
|--|-------------------------|---|-------------|-------------|--------------|
|  | \$'000                  | \$'000  | \$'000      | \$'000      | \$'000       |
| <b>FY 2014 (unaudited)</b>             |                         |   |             |             |              |
| <b>Revenue</b>                         |                         |   |             |             |              |
| External revenue                       | 46,096                  | 9,023   | 555         | -           | 55,674       |
| Inter-segment revenue                  | 84                      | 296   | 3,930       | (4,310)     | -            |
|  | 46,180                  | 9,319   | 4,485       | (4,310)     | 55,674       |
| <b>Results</b>                         |                         |   |             |             |              |
| Segment results                        | (1084)                  | (3,303)   | (9,707)     | 7,663       | (6,431)      |
| Finance costs                          | (359)                   | (398)   | (1,854)     | 475         | (2,136)      |
| (Loss)/profit before income tax        | (1,443)                 | (3,701)   | (11,561)    | 8,138       | (8,567)      |
| Income tax expenses                    |                         |   |             |             | (156)        |
| Loss for the financial year            |                         |   |             |             | (8,723)      |
| <b>Capital expenditure</b>             |                         |   |             |             |              |
| Property, plant and equipment          | 1,058                   | 14,748  | 2,350       | -           | 18,156       |
| Prepayment (land)                      | -                       | -   | 394         | -           | 394          |
| Intangible assets                      | -                       | 3,334   | -           | --          | 3,334        |
| <b>Significant non-cash items</b>      |                         |   |             |             |              |
| Depreciation and amortisation expenses | 1,993                   | 1,228   | 1,084       | -           | 4,305        |
| <b>Assets and liabilities</b>          |                         |   |             |             |              |
| Assets                                 | 67,923                  | 66,887  | 111,161     | (82,137)    | 163,834      |
| Liabilities                            | 28,068                  | 16,674  | 48,459      | (27,857)    | 65,344       |
| Unallocated liabilities                |                         |   |             |             |              |
| -Current income tax                    |                         |   |             |             | 1,745        |
| -Deferred tax liabilities              |                         |   |             |             | 7,476        |
|  |                         |   |             |             | 74,565       |

13. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (continued)

|  | Engineering Business | Water-related and environmental Business | Unallocated | Elimination | Consolidated |
|--|----------------------|--|-------------|-------------|--------------|
|  | \$'000               | \$'000                                   | \$'000      | \$'000      | \$'000       |
| <b>FY 2013 (audited)</b>               |                      |  |             |             |              |
| <b>Revenue</b>                         |                      |  |             |             |              |
| External revenue                       | 47,421               | 3,537                                    | -           | -           | 50,958       |
| Inter-segment revenue                  | 661                  | 811                                      | 2,342       | (3,814)     | -            |
|  | 48,082               | 4,348                                    | 2,342       | (3,814)     | 50,958       |
| <b>Results</b>                         |                      |  |             |             |              |
| Segment results                        | 3,838                | (2,242)                                  | (5,101)     | 880         | (2,625)      |
| Finance costs                          | (329)                | (43)                                     | (2,202)     | 80          | (2,494)      |
| Profit/(Loss) before income tax        | 3,509                | (2,285)                                  | (7,303)     | 960         | (5,119)      |
| Income tax expenses                    |                      |  |             |             | 1,534        |
| Profit for the financial year          |                      |  |             |             | (3,585)      |
| <b>Capital expenditure</b>             |                      |  |             |             |              |
| Property, plant and equipment          | 5,015                | 5,055                                    | 1,679       | -           | 11,749       |
| Intangible assets                      | -                    | 84                                       | -           | -           | 84           |
| <b>Significant non-cash items</b>      |                      |  |             |             |              |
| Depreciation and amortisation expenses | 2,689                | 1,617                                    | 938         | (1,470)     | 3,774        |
| <b>Assets and liabilities</b>          |                      |  |             |             |              |
| Assets                                 | 64,303               | 44,273                                   | 94,280      | (78,226)    | 124,630      |
| Liabilities                            | 25,417               | 9,903                                    | 47,246      | (23,312)    | 59,254       |
| <b>Unallocated liabilities</b>         |                      |  |             |             |              |
| -Current income tax                    |                      |  |             |             | 103          |
| -Deferred tax liabilities              |                      |  |             |             | 2,966        |
|  |                      |  |             |             | 62,323       |

13. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (continued)

Geographical location of non-current assets

|                    | Singapore<br>\$'000 | PRC<br>\$'000 | Malaysia<br>\$'000 | Group<br>\$'000 |
|--------------------|---------------------|---------------|--------------------|-----------------|
| <b>2014</b>        |                     |               |                    |                 |
| Non-current assets | 21,023              | 43,978        | 16,862             | 81,863          |
| <b>2013</b>        |                     |               |                    |                 |
| Non-current assets | 20,178              | 20,629        | 16,543             | 57,350          |

Non-current assets consist of property, plant and equipment, land use right, mining rights and intangible assets as presented in the statement of financial position of the Group.

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

There were no material changes in contributions to turnover and profits by the operating segments in FY2014 as compared to FY2013.

15 A breakdown of sales as follows:

|                                     | Group                           |                               | Change |
|-------------------------------------|---------------------------------|-------------------------------|--------|
|                                     | FY2014<br>(unaudited)<br>\$'000 | FY2013<br>(audited)<br>\$'000 | %      |
| Sales reported for first half-year  | 25,127                          | 27,214                        | (7.7)  |
| (Loss)/profit for first half-year   | (1,899)                         | 558                           | n.m.   |
| Sales reported for second half-year | 30,547                          | 23,744                        | 28.6   |
| Loss for second half-year           | (6,824)                         | (4,143)                       | 64.7.  |

- 16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

No dividend was declared or paid for FY2014 and FY2013 respectively.

- 17 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

| Name      | Age | Family relationship with any director or chief executive officer or substantial shareholder | Current position and duties, and the year the position was first held   | Details of changes in duties and position held, if any, during the year |
|-----------|-----|---|---|---|
| Bi Xiling | 50  | Spouse of the Company's Executive Director, Cai Jungang                                     | Technical Director of Trittech Consultants Pte Ltd, a wholly-owned subsidiary of the Company, since 2006.<br><br>Ms Bi is responsible for the technical aspects of the specialist engineering works carried out by Trittech Consultants Pte. Ltd. | Nil   |



## 18 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.

There was no interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920). The Company does not have a general mandate from its shareholders for interested person transactions.

## 19 Update on use of proceeds from exercise of warrants

As at 30 May 2014, the total proceeds raised from the exercise of warrants have been fully utilised by the Group according to the intended uses as follows:

|  | Allocated \$'000 | Utilised \$'000 | Balance \$'000 |
|--|------------------|-----------------|----------------|
| Expansion of the Group's water-related business in PRC | 6,656            | 6,656           | -              |

## 20 Update on use of proceeds from the issuance of the Convertible Bonds

As at 30 May 2014, the proceeds raised from the issuance of the Convertible Bonds review had been utilised by the Group according to the intended uses as follows:

|  | Allocated \$'000 | Utilised \$'000 | Balance \$'000 |
|--|------------------|-----------------|----------------|
| Costs and expenses to be incurred in connection with the JORC (Joint Ore Reserves Committee) report on the Marble Mine | 500              | 311             | 189            |
| Professional costs and expenses to be incurred in connection with the proposed spin-off listing                        | 4,000            | 2,305           | 1,695          |
| Capital expenditure for the Marble Mine business   | 1,500            | 1,500           | -              |
| Working capital for the Marble Mine business <sup>(1)</sup>  | 9,000            | 9,000           | -              |
| <b>Total</b>   | <b>15,000</b>    | <b>13,116</b>   | <b>1,884</b>   |

Note:

<sup>(1)</sup> The amount allocated for the Marble Mine business purposes had been utilised mainly for the payment of salary and wages, payment to suppliers and subcontractors and payment of success fee relating to issuance of convertible bonds.

## 21 Update on use of net proceeds from the placement of shares in August 2013 (“New Share Placement”)

As at 30 May 2014, the proceeds raised from the New Share Placement had been utilised by the Group according to the intended uses as follows:

|  | Allocated \$'000 | Utilised \$'000      | Balance \$'000 |
|--|------------------|----------------------|----------------|
| To fund potential acquisitions, investments and business expansion plans in connection with the Group’s water-related business | 9,073            | 2,041                | 7,032          |
| Working capital for the Group’s water-related business   | 9,073            | 9,073 <sup>(1)</sup> | -              |
| <b>Total</b>   | <b>18,146</b>    | <b>11,114</b>        | <b>7,032</b>   |

Note:

<sup>(1)</sup> The amount allocated for the working capital for the water-related business purposes had been utilised mainly for the payment of salary and wages and purchase of raw materials for membrane and membrane related products.

**BY ORDER OF THE BOARD**

Dr Wang Xiaoning  
Managing Director  
30 May 2014