



# TRITECH GROUP LIMITED

(Company Registration No.: 200809330R)

## VARIATIONS BETWEEN THE AUDITED AND UNAUDITED FINANCIAL STATEMENTS OF THE GROUP AND OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (“FY2014”)

The Board of Directors (the “Board”) of Trittech Group Limited (the “Company”) refers to the announcement with regard to the unaudited financial results for the financial year ended 31 March 2014 dated 30 May 2014 (the “Announcement”). The Board would like to highlight certain variations between the unaudited financial statements of the Group and the Company contained in the Announcement and the audited financial statements of the Group and the Company for FY2014, following the finalisation of the audited financial statements of the Group and the Company for FY2014.

The Company wishes to clarify the aforesaid variations by setting out the material differences together with the corresponding explanations.

### (i) Statement of Financial Position (the Group)

	Audited 31 Mar 2014 S\$'000	Unaudited 31 Mar 2014 S\$'000	Difference S\$'000	Note
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	52,762	52,676	86	
Land use right	8,074	8,074	-	
Mining right	14,741	14,741	-	
Intangible assets	4,792	4,986	(194)	(1), (7)
Prepayments	394	394	-	
Deferred tax assets	-	2	(2)	
Trade and other receivables	973	990	(17)	
	<b>81,736</b>	<b>81,863</b>	<b>(127)</b>	
<b>Current assets</b>				
Inventories	4,625	4,625	-	
Trade and other receivables	12,017	9,904	2,113	(2),(7)
Amounts due from contract customers	41,690	45,136	(3,446)	(2)
Current income tax recoverable	9	-	9	
Prepayments	2,777	2,915	(138)	(1), (7)
Cash and cash equivalents	20,904	19,391	1,513	(3)
	<b>82,022</b>	<b>81,971</b>	<b>51</b>	



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Less:				
<b>Current liabilities</b>				
Trade and other payables	15,853	15,613	240	(5),(6), (7)
Amounts due to contract customers	1,610	1,546	64	
Bank borrowings	16,064	14,551	1,513	(3)
Financial liabilities designated at fair value through profit or loss	23,383	24,309	(926)	(4)
Finance lease payables	2,508	2,508	-	
Current income tax payable	673	1,745	(1,072)	(5), (6)
	<u>60,091</u>	<u>60,272</u>	<u>(181)</u>	
<b>Net current assets</b>	<u>21,931</u>	<u>21,699</u>	<u>232</u>	
<b>Non-current liabilities</b>				
Bank borrowings	(5,194)	(5,194)	-	
Finance lease payables	(1,623)	(1,623)	-	
Deferred tax liabilities	(7,709)	(7,476)	(233)	(6),(7)
	<u>(14,526)</u>	<u>(14,293)</u>	<u>(233)</u>	
<b>Net assets</b>	<u>89,141</u>	<u>89,269</u>	<u>(128)</u>	
<b>Equity</b>				
Share capital	61,174	61,174	-	
Reserves	21,967	22,095	(128)	
	<u>83,141</u>	<u>89,269</u>	<u>(128)</u>	

Notes –

- (1) Decrease in intangible assets and prepayments was due to the recognition of deferred tax liabilities previously not being taken up.
- (2) Increase in trade and other receivables was due to reclassifications from amounts due from contract customers of S\$2.1 million. Decrease in amounts due from contract customers was due to the reclassification of S\$2.1 million to trade and other receivables, and property assets acquired at fair value in relation to the Group's subsidiaries in the People's Republic of China ("PRC") amounting to S\$1.1 million which was wrongly classified as amounts due from contract customers into revaluation reserve (Refer to Note 3 in the consolidated statement of comprehensive income (the Group)).
- (3) Increase in cash and cash equivalent was due to an increase in the overdraft and fixed deposit pledged which was not accounted for in the unaudited financial statements for FY 2014.
- (4) Decrease in financial liabilities designated at fair value through profit or loss amounted to S\$0.9 million due to adjustments arising from an independent valuation of the convertible bond which was only finalised after the date of the Announcement.



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- (5) Decrease in current income tax payable was mainly attributable to the reclassification of the VAT payables of the Group's subsidiaries in the PRC from current income tax payable to trade and other payables upon the acquisition of a subsidiary during the financial year.
  - (6) Increase in trade and other payables of approximately S\$0.2 million was mainly due to the reclassification of VAT payables, intercompany elimination of trade and other payables and a reclassification of deferred tax liabilities.
  - (7) Increase in the deferred tax liabilities amounting to approximately S\$0.2 million was mainly due to an increase of approximately S\$0.1 million reclassified from revaluation reserve not accounted for at the Group level and an increase of approximately S\$0.1 million due to a reclassification from trade and other payables.



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## (ii) Statement of Financial Position (the Company)

	<b>Audited</b> <b>31 Mar 2014</b> <b>S\$'000</b>	Unaudited 31 Mar 2014 S\$'000	Difference S\$'000	Note
<b>ASSETS</b>				
Non-current assets				
Property, plant and equipment	1,127	1,127	-	
Investments in subsidiaries	63,345	63,723	(378)	(1)
	<b>64,472</b>	<b>64,850</b>	<b>(378)</b>	
<b>Current assets</b>				
Trade and other receivables	17,895	15,895	2,000	(2)
Prepayments	62	62	-	
Cash and cash equivalents	9,104	9,104	-	
	<b>27,061</b>	<b>25,061</b>	<b>2,000</b>	
<b>Current liabilities</b>				
Trade and other payables	3,817	1,817	2,000	(2)
Bank borrowings	6,091	6,091	-	
Current income tax payable	112	112	-	
	<b>10,020</b>	<b>8,020</b>	<b>2,000</b>	
<b>Net current assets</b>	<b>17,041</b>	<b>17,041</b>	<b>-</b>	
<b>Non-current liabilities</b>				
Bank borrowings	(4,891)	(4,891)	-	
Deferred tax liabilities	(96)	-	(96)	(3)
	<b>(4,987)</b>	<b>(4,891)</b>	<b>(96)</b>	
<b>Net assets</b>	<b>76,526</b>	<b>77,000</b>	<b>(474)</b>	
<b>Equity</b>				
Share capital	67,174	67,174	-	
Reserves	9,352	9,826	(474)	
	<b>76,526</b>	<b>77,000</b>	<b>(474)</b>	

### Notes

- (1) The decrease in the investment in subsidiaries amounting to S\$0.4 million was due to additional impairment for investments of the Company's subsidiary, Trittech Instruments Pte Ltd.
- (2) Increase in trade and other receivables of S\$2.0 million and increase in trade and other payables of S\$2.0 million were due to the reclassification of the amount of S\$2.0 million due from a subsidiary, Trittech Engineering and Testing (S) Pte Ltd ("TET"). The Company had intended to capitalise this amount but the capitalisation exercise was completed only after 31 March 2014. It was therefore necessary to reclassify the amount as a current amount due from TET with a corresponding current obligation to capitalise such amount due into equity of TET, with a resulting increase in investments in subsidiaries after the date of the capitalisation exercise.



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- (3) Increase in the deferred tax liabilities of S\$0.1 million was due to the increase in the revaluation adjustment of S\$0.6 million of the Company's leasehold property which was not accounted for in the unaudited financial statements for FY2014 at a corporate tax rate of 17%.



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(iii) Consolidated statement of comprehensive income (the Group)

	<b>Audited</b> 31 Mar 2014 S\$'000	Unaudited 31 Mar 2014 S\$'000	Difference S\$'000	Note
Revenue	55,709	55,674	35	
Cost of sales	(42,497)	(42,526)	29	
Gross profit	<u>13,212</u>	13,148	64	
Other items of income				
Interest income	52	52	-	
Other income	8,839	8,781	58	
Other items of expenses				
Distribution expenses	(907)	(907)	-	
Administrative expenses	(13,560)	(13,560)	-	
Other expenses	(13,249)	(13,945)	696	(1)
Finance costs	(2,136)	(2,136)	-	
Loss before income tax	<u>(7,749)</u>	(8,567)	818	
Income tax credit / (expense)	123	(156)	279	
<b>Loss for the financial year</b>	<u>(7,626)</u>	<u>(8,723)</u>	1,097	
Other comprehensive income				
Exchange differences arising from translation of foreign operations	(90)	285	(375)	(2)
Revaluation gains (net of tax)	13,036	-	13,036	(3)
Other comprehensive income for the financial year, net of tax	<u>12,946</u>	285	12,661	
Total comprehensive income for the financial year	<u>5,320</u>	<u>(8,438)</u>	13,758	
Loss attributable to owners of the parent	<u>(7,626)</u>	<u>(8,723)</u>	1,097	
Total comprehensive income attributable to owners of the parent	<u>5,320</u>	<u>(8,438)</u>	13,758	
<b>Loss per share</b>				
Basic	<u>(1.98) cents</u>	<u>(2.33) cents</u>	0.35 cents	
Diluted	<u>(1.98) cents</u>	<u>(2.33) cents</u>	0.35 cents	

Notes –

- (1) Decrease in other expenses of S\$0.7 million was mainly due to adjustments to the fair value loss of financial liabilities at fair value through profit or loss arising from an



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independent valuation of the convertible bond which was only finalised after the date of the Announcement.

- (2) Decrease in the exchange differences arising from translation of foreign operations of S\$0.4 million was due to the use of different exchange rates.
- (3) Increase in revaluation gains was separately disclosed as a separate line item under other comprehensive income instead of transaction with owners of the parent under equity changes. The decrease in the revaluation gain of S\$0.8 million was due to the classification of property assets acquired at fair value that was previously classified as amounts due from contract customers of S\$1.1 million net of deferred tax liabilities amounting to S\$0.3 million. (Refer to Note 2 of the consolidated statement of financial position (the Group)).



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(iv) Consolidated statement of cash flows

	<b>Audited</b> <b>31 Mar 2014</b> <b>S\$'000</b>	Unaudited 31 Mar 2014 S\$'000	Difference S\$'000	Note
<b>Operating activities</b>				
Loss before income tax	<b>(7,749)</b>	(8,567)	818	
Adjustments for:				
Amortisation of intangible assets	<b>298</b>	106	192	
Amortisation of mining right	<b>491</b>	491	-	
Amortisation of land use right	<b>57</b>	-	57	
Write-down of inventories	<b>1,082</b>	-	1,082	(1)
Impairment losses of third parties trade receivables	<b>47</b>	-	47	
Write back of third parties trade receivables	<b>(3)</b>	-	(3)	
Depreciation of property, plant and equipment	<b>4,067</b>	3,708	359	
Fair value loss on financial liabilities designated at fair value through profit or loss	<b>5,876</b>	7,190	(1,314)	(2)
Gain on bargain purchase	<b>(7,556)</b>	(7,556)	-	
(Gain) / Loss on disposal of plant and equipment	<b>(234)</b>	53	(287)	
Interest income	<b>(52)</b>	(52)	-	
Interest expense	<b>2,093</b>	2,136	(43)	
Property, plant and equipment written off	<b>88</b>	173	(85)	
Employee share option expenses	<b>66</b>	66	-	
Operating cash flows before working capital changes	<b>(1,429)</b>	(2,252)	823	
Working capital changes:				
Inventories	<b>(1,725)</b>	(3,188)	1,463	
Trade and other receivables	<b>(4,079)</b>	(3,447)	(632)	
Prepayments	<b>(892)</b>	(540)	(352)	
Trade and other payables	<b>(337)</b>	(3,894)	3,557	(5)
Cash absorbed by operations	<b>(8,462)</b>	(13,321)	4,859	
Income tax refunded	<b>335</b>	1,113	(778)	
Interest received	<b>52</b>	52	-	
Net cash used in operating activities	<b>(8,075)</b>	(12,156)	4,081	





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	Audited 31 Mar 2014 S\$'000	Unaudited 31 Mar 2014 S\$'000	Difference S\$'000	Note
<b>Investing activities</b>				
Purchase of property, plant and equipment	(4,592)	(4,750)	158	
Acquisition of a subsidiary, net of cash acquired	(1,735)	-	(1,735)	(3)
Additions to intangible assets	(48)	(48)	-	
Prepayment of land use right	(352)	(394)	42	
Proceeds from disposal of plant and equipment	208	58	150	
Net cash used in investing activities	<u>(6,519)</u>	<u>(5,134)</u>	<u>(1,385)</u>	
<b>Financing activities</b>				
(Increase) / decrease in fixed deposit pledged	(898)	(7)	(891)	
Proceeds from bank borrowings	4,567	4,082	485	
Loan from ultimate holding company	2,000	-	2,000	(5)
Repayments of loan to related company	(4,350)	-	(4,350)	(5)
Repayments of bank borrowings	(3,797)	(3,299)	(498)	(6)
Repayments of finance lease obligations	(2,941)	(2,475)	(466)	(7)
Repayment of shareholder loan	(2,000)	(2,000)	-	
Proceeds from options	1,458	-	1,458	(4)
Proceeds from exercise of warrants	1,856	-	1,856	(4)
Proceeds from issue of shares, net of expenses	18,750	21,442	(2,692)	(4)
Share issuance expenses	(622)	-	(622)	(4)
Interest paid	(1,881)	(1,712)	(169)	
Net cash from financing activities	<u>12,142</u>	<u>16,031</u>	<u>(3,889)</u>	
Net change in cash and cash equivalents	(2,452)	(1,259)	(1,193)	
Cash and cash equivalents at beginning of financial year	14,021	14,021	-	
Currency translation differences	34	(268)	302	
Cash and cash equivalents at end of the financial year	<u>11,603</u>	<u>12,494</u>	<u>(891)</u>	

Notes –

- (1) Increase of S\$1.1 million in write down of inventories in a PRC subsidiary was due to this item being reclassified as a non-cash item.



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- (2) Decrease in fair value loss on financial liabilities designated as fair value through profit or loss due to adjustments arising from an independent valuation of the convertible bond which was only finalised after the date of the Announcement.
  - (3) Increase in acquisition of a subsidiary, net of cash acquired of S\$1.7 million was due to reclassification to comply with the relevant accounting standards.
  - (4) Proceeds from issue of shares, net of expenses was reclassified to proceeds from options, proceeds from exercise of warrants, proceeds from issue of shares, net of expenses and share issuance expenses.
  - (5) Differences due to reclassification of non-trade payables with related parties as cash flows from financing activities instead of trade and other payables and trade and other receivables.
  - (6) Increase in repayments of bank borrowings of S\$0.5 million was due to the recognition of a corresponding increase in the proceeds from bank borrowings.
  - (7) Increase in repayments of finance lease obligations of S\$0.5 million was due to the inclusion of interest expenses.

## BY ORDER OF THE BOARD

Dr Wang Xiaoning  
Managing Director

14 July 2014

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*The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 62298088.*