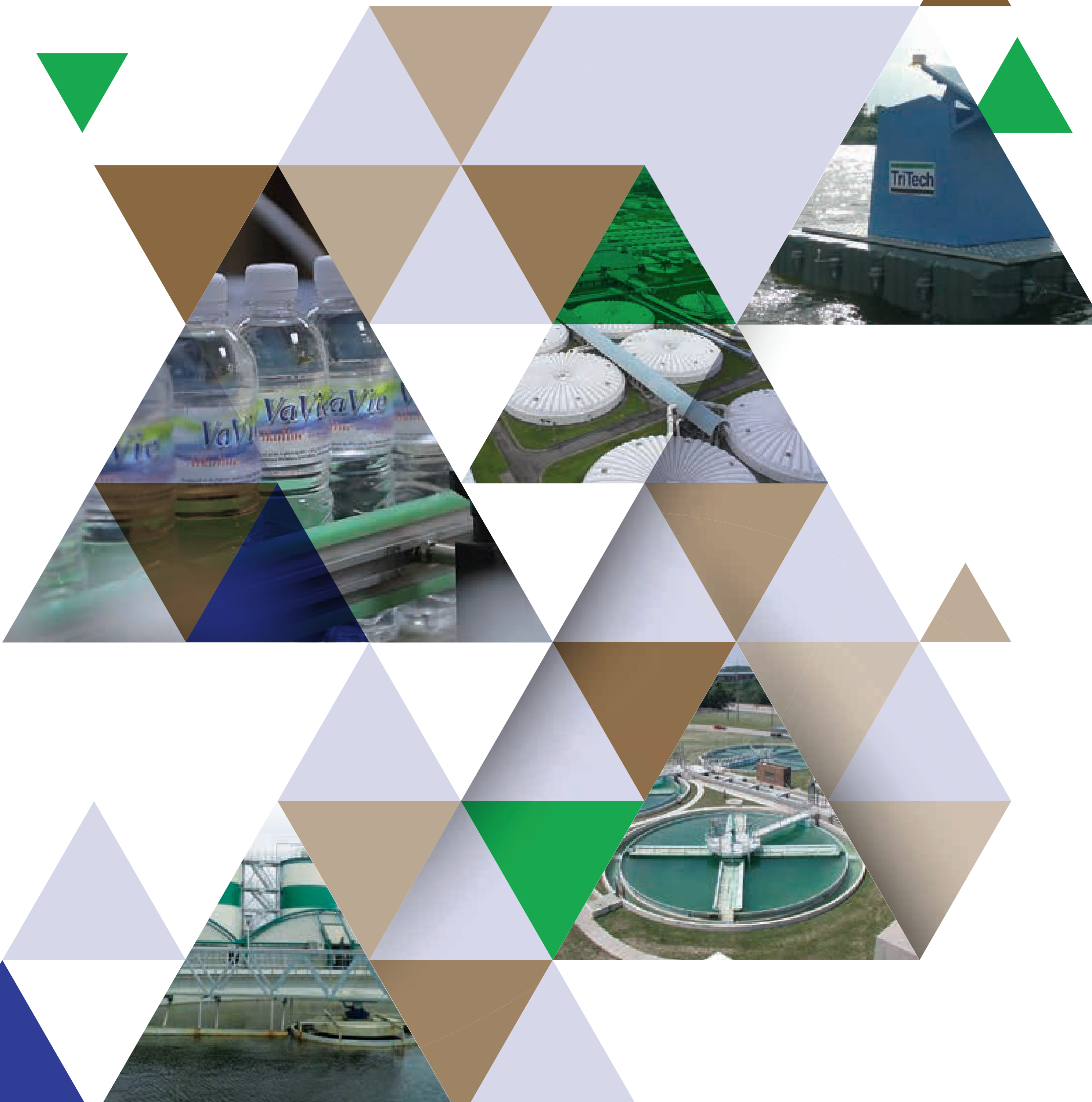
TRITECH GROUP LIMITED

A UNIQUE ENGINEERING & ENVIRONMENTAL GROUP

ANNUAL 2018 REPORT



BUSINESS SEGMENTS

URBAN & ENVIRONMENTAL INFRASTRUCTURE BUSINESS

SPECIALIST ENGINEERING DIVISION

- Provision of geotechnical instrumentation and monitoring services, geotechnical and geological site explorations, investigations, analysis and testing for general and infrastructure construction
- Provision of design, consultancy and project management services for infrastructure, environmental, geotechnical, civil and rock engineering works
- Provision of products and related services that deploy Machine-to-Machine (M2M) technology
- Supply and installation of Tritech's own brand of geotechnical instruments

GROUND AND STRUCTURAL ENGINEERING DIVISION

- Provision of ground engineering services such as soil improvement by jet grouting, design and installation of soil nails, ground anchors and micropiles, design and build of retaining wall systems for slope cutting and stabilisation, and basement evacuation projects
- Provision of structural engineering services such as structural inspection and repair, design and build of post-tension systems for buildings and bridges

WATER & ENVIRONMENTAL PROTECTION BUSINESS

- Manufacturing of membranes for water treatment and desalination systems, portable small-to-medium scale desalinators
- Production and sale of bottled drinking water and dispensers; and marketing of related technologies, systems and services
- Supply of water quality monitoring products and services

CORPORATE PROFILE

Established in 1999, Tritech Group Limited ("Tritech" and together with its subsidiaries, the "Group") has grown into a leading water & environmental group with two key business segments – "Urban & Environmental Infrastructure" under TGL Engineering Group, and "Water & Environmental Protection" under Tritech Environmental Group. Since inception, Tritech has built an excellent reputation as a specialist engineering group with capabilities to provide a full range of engineering services from project planning, site investigations, design & consultancy, instrumentation & monitoring, construction, supervision & management. The Group serves a broad range of industries, such as infrastructure, oil & gas, commercial and high-end residential property developments. Led by an experienced management team of highly qualified professionals that includes eight PhD holders, the Group is one of few engineering groups in Singapore with the technical expertise and capabilities to provide services that span across the entire value chain.

Over the years, the Group has established a strong foothold in projects for government statutory boards such as the JTC Corporation, Land Transport Authority, Public Utilities Board and Housing and Development Board. It has a proven track record in a multitude of high profile public and private sector projects in Singapore, including the MRT Circle, Downtown and Thomson-East Coast Lines, Jurong Rock Cavern, Underground Drainage & Reservoir System, Reflections @ Keppel Bay, Interlace and Marina One.

As part of the Group's strategy to strengthen its growth prospects, Tritech has expanded into the Water & Environmental Protection business. For its Water & Environmental Protection business, the Group has built a unique platform to provide total solutions for water and environmental problems in the People's Republic of China ("PRC") and region.

Tritech was listed on SGX Catalist in Singapore on 21 August 2008.

CONTENTS

BUSINESS MODEL

URBAN & ENVIRONMENTAL INFRASTRUCTURE BUSINESS

GEOTECHNICAL SERVICES

- Geotechnical instrumentation, installation and maintenance
- Monitoring services
- Geotechnical investigation, exploration, analysis and testing for construction

DESIGN, CONSULTANCY AND PROJECT MANAGEMENT SERVICES

- Services range from initial feasibility study to planning, site investigation, design and construction control services

PROVISION OF MACHINE-TO-MACHINE (M2M) PRODUCTS AND SERVICES

- Provision of products and related services

PROVISION OF GEOTECHNICAL INSTRUMENTS

- Supply and installation of Tritech's own brand of geotechnical products

GROUND ENGINEERING SERVICES

- Design and build services for retaining wall system for projects of slope cutting and stabilisation and basement excavation projects
- Soil improvement, design and installation of ground anchors and micropiles

STRUCTURAL ENGINEERING SERVICES

- Structural inspection and repair, design and build post-tension system for buildings and bridges
- High pressure jet grouting

WATER & ENVIRONMENTAL PROTECTION BUSINESS

WATER TREATMENT TECHNOLOGIES

- Convert seawater or raw municipal water into potable water
- Bottled drinking water and Water Dispensers (no electricity needed). Good for remote villages where electricity is not available
- Membrane manufacturing and supply for waste water, seawater desalination, and potable water plants for existing industries and residents
- Provision of real-time water quality monitoring services (Tritech is providing this service to the Singapore Government)
- Supply of mobile water purification units to any remote villages or coastal settlements
- Turnkey contractor for desalination plants

GROUP STRUCTURE

TriTech 三泰集团

TRITECH GROUP LIMITED (AS AT 31ST MARCH 2018)

- 100% **TGL ENGINEERING GROUP PTE. LTD.** （三泰工程集团有限公司）
  - 100% Tritech Engineering & Testing (Singapore) Pte. Ltd. (三泰工程及测试(新加坡)有限公司)
  - 100% Tritech Consultants Pte. Ltd. (新加坡三泰国际工程咨询有限公司)
  - 100% Presscrete Engineering Pte. Ltd. (蓓力工程有限公司)
  - 100% Tritech Geotechnic Pte. Ltd. （新加坡三泰岩土工程有限公司)
  - 100% Tritech Instruments Pte. Ltd. (新加坡三泰仪器有限公司)
  - 100% Terra Tritech Engineering (M) Sdn. Bhd. (三泰工程(马来西亚)有限公司)
- 54% **GEOSOFT PTE. LTD.** (吉奥软件有限公司)
- 100% **TRITECH ENVIRONMENTAL GROUP CO., LTD.** (三泰环境集团有限公司)
  - 100% Tritech (Qingdao) Membrane Technologies Co., Ltd. (三泰(青岛)膜科技有限公司)
  - 100% Anhui Clean Environment Biotechnology Co., Ltd. (安徽省科林环镜生物技术有限公司)
  - 100% Tritech Vavie (Qingdao) Health Care Technologies Co., Ltd. (三泰万维思源(青岛)健康科技有限公司)
    - 30% Tritech Vavie (Shanghai) Healthcare Technologies Co. Ltd. (三泰万维思源(上海)健康科技有限公司)
    - 100% Tritech Vavie (Beijing) Healthcare Technologies Co. Ltd. (三泰万维思源(北京)健康科技有限公司)
  - 100% Beijing Wisetec Technologies Co., Ltd. (北京伟思德克科技有限责任公司)
  - 100% Tritech Water Technologies Pte. Ltd. (新加坡三泰水技术有限公司)
  - 100% Tritech SysEng (S) Pte. Ltd. (新加坡三泰赛森有限公司)
- **DIVISION FOR REGIONAL BUSINESS & MARKETING DEVELOPMENT** ("RBMD") 区域业务及市场开发部

URBAN & ENVIRONMENTAL INFRASTRUCTURE
(城市与环境基础设施业务)

WATER & ENVIRONMENTAL PROTECTION
(水与环境的保护业务)

MESSAGE TO SHAREHOLDERS

"With the construction industry in Singapore beginning to show signs of higher level of activities, the Group is cautiously optimistic of TGL Engineering Group's business outlook and working actively to secure new potential projects to build its pipeline."

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, we are pleased to present Tritech Group Limited's ("Tritech" and together with its subsidiaries, the "Group") annual report for the financial year ended 31 March 2018 ("FY2018").

The operating environment in FY2018 remained challenging for the Group's two key business segments – "Urban and Environmental Infrastructure" under *TGL Engineering Group*, and "Water & Environmental Protection" under *Tritech Environmental Group*. Intense competitive conditions and escalating cost pressures continued to take a toll on the financial performances of both business segments in FY2018.

To mitigate these challenges, the Group has been executing several strategic initiatives with the aim of strengthening the operations and market positions of TGL Engineering Group and Tritech Environmental Group. Our management team has been making continual efforts to review and optimise the Group's overall operational costs. Substantial cost cutting through various measures have been implemented to strengthen the Group's cash flow position and improve our competitiveness within the industry.

FY2018 FINANCIAL PERFORMANCE

Following the completion of the Proposed Disposal of Terratech Group Limited ("Discontinued Operations"), this company has ceased to be a subsidiary of the Group with effect from 4 May 2017. The Group's continuing operations comprise the engineering and water-related and environmental businesses ("Continuing Operations").

In FY2018, the Continuing Operations recorded revenue of $64.9 million, an increase of $3.9 million from $61.0 million in FY2017. The Group's gross profit however decreased to $7.5 million in FY2018 from $12.9 million in FY2017 due to an increase in the direct costs of engineering projects and the water-related and environmental business. Consequently, the Group reported a loss after tax from Continuing Operations of $20.8 million in FY2018 as compared to a loss after tax from Continuing Operations of $11.7 million in FY2017. The Discontinued Operations recorded a loss after tax of $1.8 million in FY2018.

After recognising a gain on disposal of $11.1 million from the disposal of the Discontinued Operations, the Group reported a lower overall loss after tax of $11.5 million in FY2018 as compared to a loss after tax of $18.1 million in FY2017.

CAUTIOUSLY OPTIMISTIC OF THE ENGINEERING BUSINESS

The Group's engineering business registered lower revenue of $49.9 million in FY2018, a decline of $1.6 million from $51.5 million in FY2017. As a result of keen competition and higher direct costs of its projects, the engineering business posted a loss before tax of $2.3 million in FY2018 as compared to a profit before tax of $3.3 million in FY2017.

TGL Engineering Group is a unique engineering company in Singapore that has capabilities to provide solutions for the entire value chain, from project planning and feasibility studies, site investigation, instrumentation and monitoring, design and consultancy to construction supervision and specialist construction.

Over the past few years, the Group has been pursuing a strategy to differentiate its engineering business from competitors by focusing on higher value and more technically-complex projects that require greater level of technical competencies and the use of advanced equipment.

As one of the leading engineering companies in Singapore's construction industry, TGL Engineering Group continued to secure new contracts during FY2018.

In September 2017, the Group's wholly-owned subsidiary, Tritech Consultants Pte Ltd ("Tritech Consultants"), was awarded a $3.6 million contract for "Civil and Structural Engineering Consultancy Services for Slope Management" by the National Parks Board of Singapore. This contract is expected to be completed by 5 September 2020. Under the contract, the Group provides services for data collection, updating and monitoring, preliminary risk impact assessment, design and mitigating measures and detailed geotechnical assessment for selected slopes, ad hoc services for slope failure and structural inspection of buildings.

Tritech Engineering & Testing (Singapore) Pte. Ltd., which is a wholly-owned subsidiary, has built a reputation as one of the largest site investigation specialists in Singapore. Earlier this year in April, the Group was able to leverage on this extensive experience and know-how in site investigation to clinch a contract valued at $3.3 million from the Land Transport Authority ("LTA") to provide site investigation services on specified terrain in Singapore. Under the contract, the Group will provide all professional and technical personnel, labour, plant; and supply all necessary shoring, platform, geotechnical investigation and construction equipment, plant and tools necessary for the execution of the relevant scope of works. The contract has commenced and is scheduled for completion by 15 April 2020.

With the construction industry in Singapore beginning to show signs of higher level of activities, the Group is cautiously optimistic of TGL Engineering Group's business outlook. To capitalise on the improving business backdrop, the Group is working actively to secure new potential projects to build its pipeline. The emphasis will be on projects that offer higher profit margins as TGL Engineering Group has the advantage of leveraging on its technological know-how to take on high technology-oriented projects, consultancy and design services for large-scale projects. The Group will also continually evaluate and implement measures to be more cost-efficient in our engineering projects.

MESSAGE TO SHAREHOLDERS

"Over the past few years, the Group has steadily built the water-related and environmental business into a one-stop water treatment solutions provider. During FY2018, we continued to take important steps to further strengthen this business by forging strategic alliances and partnerships in China and the region."

TRITECH ENVIRONMENTAL GROUP EXPANDS STRATEGIC ALLIANCES IN CHINA AND THE REGION

The Group's water-related and environmental business recorded revenue of $15.0 million in FY2018, an increase of $5.6 million from $9.4 million in FY2017. Although it continued to face increasing competition and cost pressures, the water-related and environmental business was able to narrow its loss before tax to $7.5 million in FY2018 compared to $9.5 million in FY2017.

Over the past few years, the Group has steadily built the water-related and environmental business into a one-stop water treatment solutions provider in China and the region. Tritech Environmental Group now has a unique platform to provide a total solution for water and environmental issues. Its complete suite of offerings ranges from the design and supply of membrane and membrane-related products, provision of Engineering, Procurement and Construction (EPC) services for water treatment projects, operation of water treatment plants, to the supply of water quality and environmental monitoring services.

During FY2018, the Group continued to take important steps to further strengthen the water-related and environmental business by forging strategic alliances and partnerships in China and the region.

In March 2018, the Group entered into a non-binding strategic partnership memorandum of understanding with PT Waskita Karya (Persero) Tbk ("Waskita") in Jakarta, Indonesia. This will see the Group and Waskita in identifying synergies that can create opportunities for their joint or allied efforts for future environmental projects in Indonesia. Both parties will also be seeking to identify other suitable partners for collaboration on environmental projects in Indonesia, as well as provide support to each respective party to find solutions for the tender of environmental related projects or activities where appropriate.

In May 2018, Tritech Environmental Group entered into a non-binding strategic partnership memorandum of understanding with Shenzhen Techand Ecology & Environment Co. Ltd. ("Techand"), which is an independent third-party company listed on the Shenzhen Stock Exchange. Techand is primarily involved in eco-environmental protection, ecological landscaping and ecotourism, and engages in projects that are complementary to Tritech Environmental Group's water treatment business.

Under the memorandum of understanding, Techand and Tritech Environmental Group will identify synergies that enables them to create opportunities for joint or allied efforts for environmental protection and conservation and water treatment projects in China. Both parties have also agreed to maintain and develop information sharing which will enable them to develop knowledge resources regarding market and government resources, and maintain a high level of collaboration and cooperation. Techand and Tritech Environmental Group will also support each other to find solutions and share market resources and information for the tender of projects or activities where appropriate.

At the 19th Communist Party of China National Congress in Beijing in October 2017, the Chinese government reaffirmed its strong commitment towards environmental conservation and pollution prevention. This is expected to translate into exciting opportunities for the environmental protection industry. As such, the Group continues to see good prospects for its water-related & environmental business in China and the region.

Notwithstanding the positive industry outlook, the Group recognises that its water-related and environmental business faces a highly competitive landscape in the markets where we operate in. As such, the Group will endeavour to mitigate the challenges by continually optimising its operational costs, leveraging on our operating experience to diversify into new products and markets, and working to secure large scale projects that offer reasonable margins.

APPRECIATION

On behalf of the Board, we would like to thank our shareholders, customers, suppliers and business partners for their continued support of Tritech. We also wish to express our appreciation to our management and staff for their hard work, contributions and commitment to the Group. Last but not least, we wish to thank our fellow Directors for their invaluable counsel, guidance and dedication to Tritech.

PROFESSOR YONG KWET YEW
Non-Executive Chairman

DR JEFFREY WANG
Managing Director

FINANCIAL REVIEW

INCOME STATEMENT

Continuing Operations

For the financial year ended 31 March 2018 ("FY2018"), the Group recorded revenue of $64.9 million, an increase of $3.9 million from $61.0 million in FY2017. This was due mainly to the higher contribution from the Group's water-related and environmental business which more than offset the softer revenue of the engineering business.

Revenue of the water-related and environmental business increased by $5.6 million to $15.0 million in FY2018 from $9.4 million in FY2017. The engineering business registered lower revenue of $49.9 million in FY2018, a decline of $1.6 million from $51.5 million in FY2017.

As a consequence of higher direct costs for its engineering projects as well as the water-related and environmental business, the Group registered a gross profit of $7.5 million in FY2018, a decrease of $5.4 million from $12.9 million in FY2017.

The Group's administrative expenses decreased by $1.0 million to $13.3 million in FY2018 from $14.3 million in FY2017, attributed mainly to lower staff related costs.

The Group's other income remained stable at $1.0 million in FY2018 compared to FY2017. However, other expenses increased by $4.8 million to $11.3 million in FY2018 from $6.5 million in FY2017. This was mainly attributable to a fair value loss of $5.9 million on investment securities, which relates to the Terratech Group Limited ("Terratech") shares held by the Company that have been reclassified as investment securities following the completion of the reverse takeover of Terratech. The Group's finance costs of $3.9 million in FY2018 remains unchanged compared to the previous financial year.

As a result of the above factors, the Group recorded a higher loss after tax from continuing operations of $20.8 million in FY2018 as compared to a loss after tax from continuing operations of $11.7 million in FY2017.

Discontinued Operations (Terratech Group Limited)

On 4 May 2017, the Company announced the completion of the Proposed Disposal of Terratech. Accordingly, Terratech has ceased to be a subsidiary of the Company. In accordance with FRS 105, the results of Terratech have been presented separately on the Group's consolidated income statement as Discontinued Operations.

A gain on disposal of $11.1 million was recognised on the disposal of the Company's 52.24% economic interest in Terratech. The Group recorded attributable loss after tax related to Discontinued Operations of $1.8 million and $6.4 million in FY2018 and FY2017 respectively.

Overall, the Group reported a loss after tax of $11.5 million in FY2018 as compared to a loss after tax of $18.1 million in FY2017.

FINANCIAL POSITION

As at 31 March 2018, the Group had shareholders' equity of S$54.2 million and cash and bank balances of S$8.2 million.

Non-current assets amounted to $56.2 million as at 31 March 2018, as compared to $59.9 million as at 31 March 2017. The decrease of $3.7 million was due to amortisation and depreciation charges of $4.8 million and revaluation deficit on leasehold properties of $1.2 million, which arose mainly from leasehold properties in China. The decrease was partially offset by an increase of $0.6 million for new plant and equipment, investment in associates of $0.6 million and foreign currency translation gains of $1.1 million.

As at 31 March 2018, the Group had current assets of $71.5 million which was a decline of $6.3 million from $77.8 million as at 31 March 2017 after excluding the assets held for sale from the Discontinued Operations of $29.9 million at the end of FY2017.

The decrease in current assets was due mainly to the utilisation and write-down of inventories totalling $1.8 million, lower amounts due from contract customers of $8.9 million upon completion of certain projects from the engineering and water-related and environmental business in Singapore, and a reduction of $0.9 million in cash and bank balances. The decrease was partially offset by an increase in trade and other receivables of $2.6 million arising from higher revenue of the water-related and environmental business, and prepayments of $0.7 million. In addition, the Group recorded investment securities of $1.8 million following the completion of Terratech's reverse takeover.

As at 31 March 2018, current liabilities stood at $66.3 million which was a decrease of $11.4 million from $77.7 million as at 31 March 2017 after excluding the liabilities associated with the Discontinued Operations amounting to $12.5 million at the end of FY2017. The decrease was attributed mainly to a reduction in trade and other payables of $3.3 million due to the settlement of liabilities, repayment of convertible loans of $9.0 million, decline in shareholders' loan of $0.6 million, and decrease of $1.5 million due to repayments of finance lease. The decrease in current liabilities was partially offset by increases in the amount due to contract customers and bank borrowings which totalled $3.0 million.

Non-current liabilities were $6.8 million as at 31 March 2018, an increase of $0.7 million from $6.1 million as at 31 March 2017. The increase was due mainly to the inclusion of the liability component of convertible loan of $3.3 million which was offset by the partial repayment of finance lease payables and bank borrowings totalling $2.2 million, and a decrease in deferred tax liabilities of $0.4 million.

As at 31 March 2018, the Group had positive working capital of $5.1 million as compared to $17.5 million as at 31 March 2017.

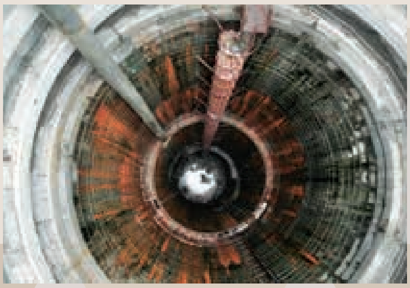
CASHFLOW STATEMENT

In FY2018, the Group recorded net cash used in operating activities of $1.9 million. This was due mainly to an operating cash outflow before working capital changes of $6.2 million and partially offset by working capital inflow of $4.3 million. The working capital inflow was attributable mainly to a decrease in amounts due from contract customers, offset with an increase in prepayments, decrease in trade and other payables and the payment of income tax of $0.1 million.

Net cash generated from investing activities amounted to $1.5 million in FY2018, attributed mainly to proceeds from the disposal of investment securities and plant and equipment.

The Group generated net cash of $0.3 million from financing activities in FY2018, due mainly to cash inflow of $19.7 million from bank borrowings and convertible loan, proceeds from shareholders' loan of $0.6 million, decrease in fixed deposit of $1.1 million and proceeds from placement shares of $2.0 million. This inflow was partially offset by the cash outflow of $23.1 million for the repayment of bank borrowings, convertible loan, shareholders' loan, finance lease and interest payments.

URBAN & ENVIRONMENTAL INFRASTRUCTURE


TGL Engineering Group is a unique engineering company in Singapore that has capabilities to provide solutions for the entire value chain, from project planning and feasibility studies, site investigation, instrumentation and monitoring, design and consultancy to construction supervision and specialist construction.

Over the years, the Group has been pursuing a strategy to differentiate its engineering business from competitors by focusing on higher value and more technically-complex projects that require greater level of technical competencies and the use of advanced equipment.

BOARD OF DIRECTORS

PROFESSOR YONG KWET YEW
Non-Executive Chairman and Independent Director

Professor Yong Kwet Yew is our Non-Executive Chairman and Independent Director and was first appointed to the board of directors on 9 June 2008. He was last re-elected to the board of directors at the Company's annual general meeting held on 26 July 2017. Professor Yong is a highly regarded geotechnical specialist in Singapore and Southeast Asia. He completed his Phd under a Grouped Scholarship in Engineering from the University of Sheffield, UK. He has delivered 30 keynotes and guest lectures at international conferences and published more than 200 technical papers. He has also served as a consultant in over 100 major construction projects in the region. Professor Yong was the Past Chairman, Association of Geotechnical Studies in Southeast Asia and he chairs several government advisory committees and professional committees. He has received many National awards including the Public Administration Medal, the Public Service Medal and Public Service Star in the year of 2000, 2004 and 2008 for significant contributions to university administration, construction safety and land transport development respectively. He is Honorary Fellow, the Institution of Engineers, Singapore, an Accredited Adjudicator, a member of Singapore Institute of Directors and a registered Professional Engineer in Singapore.

Professor Yong's experience and established business networks as a consultant in major construction projects are useful to our Group's plans to expand our business in the region. He is currently also a non-executive chairman and an independent director of BBR Holdings (S) Ltd and a former board member of Land Transport Authority, Singapore.

DR JEFFREY WANG
Managing Director

Dr Jeffrey Wang is our Managing Director and was first appointed to the board of directors on 13 May 2008. He was last re-elected to the board of directors at the Company's annual general meeting held on 26 July 2017. He is in charge of overall operation and business development of our Group. Before the commencement of our Group's business in 2000, he was a senior engineer in an engineering consultancy firm from 1991 to 1996, and a chief engineer in an engineering company listed on the SGX-ST from 1996 to 2000. During his employment in these companies, Dr Wang was in charge of the design and supervision of many infrastructural projects in Singapore. Dr Wang has more than 29 years of experience in geotechnical engineering. He has published many technical papers in geotechnical engineering. Dr Wang is a registered professional engineer in Singapore. He holds a PhD from the Chinese Academy of Sciences (where he was awarded the Minister Award of Chinese Academy of Sciences in recognition of his outstanding performance) and a Doctorate Degree in Philosophy from the National University of Singapore. In September 2007, Dr Wang was awarded the Best Entrepreneur Award for Faculty of Engineering by the National University of Singapore.

DR CAI JUNGANG
Executive Director

Dr Cai Jungang is our Executive Director and was first appointed to the board of directors on 9 June 2008. He was last re-elected to the board of directors at the Company's annual general meeting held on 26 July 2016. He is in charge of supervision of our Specialist Engineering Services and Ground of Structural Engineering Services Division. Before he was employed by our Group in 2003, he was a research scholar and then research fellow in the Nanyang Technological University. Dr Cai has more than 30 years of R&D and engineering experience, published more than 100 technical books and papers in scientific journals and conference proceeding, and has been involved in many underground facility projects in Singapore. Dr Cai is a senior member of the Institute of Engineers, Singapore (MIES). He was the secretary general of Singapore National Group of International Society for Rock Mechanics from 2000 to 2005, and the Vice President of Society for Rock Mechanics and Engineering Geology (Singapore) from 2013 to 2017. Dr Cai holds a Master of Engineering and Doctor of Philosophy from the Nanyang Technological University of Singapore. He is the spouse of Ms Bi Xiling, one of our Executive Officers.

MR AW ENG HAI
Independent Director

Mr Aw Eng Hai is our Independent Director and was first appointed to the board of directors on 4 September 2009. He was last re-elected to the board of directors at the Company's annual general meeting held on 26 July 2016. Mr Aw is a public accountant and a partner of Foo Kon Tan LLP where he is in charge of the various departments providing specialist advisory services. He has more than 16 years of experience providing business advisory services to companies. Prior to joining the commercial sector, Mr Aw was an investigator in the Commercial Affairs Department (CAD) where he was involved in complex commercial fraud investigation. Mr Aw is a practising member of the Institute of Singapore Chartered Accountants (ISCA), a Fellow of the Association of Chartered Certified Accountants (ACCA), a Fellow of Insolvency Practitioners Association of Singapore (IPAS) and a member of INSOL International.

Mr Aw is currently an independent director of Capital World Limited (formerly known as Terratech Group Limited).

DR LOH CHANG KAAN
Non-Independent Non-Executive Director

Dr Loh Chang Kaan is our Non-Independent Non-Executive Director and was first appointed to the board of directors on 23 June 2017. He was last re-elected to the board of directors at the Company's annual general meeting held on 26 July 2017. Previously, Dr Loh was responsible for the overall management and day-to-day operations of Terratech Group Limited (now known as Capital World Limited) and its relevant subsidiaries from the date of his appointment (15 March 2013) to his cessation (4 May 2017). Dr Loh had also served both as an executive director and non-executive director of Tritech Group Limited from 9 June 2008 to 30 July 2014. Prior to joining our Group, Dr Loh was a research engineer with the National University of Singapore from 1994 to 1999. Following that, he was an executive engineer with a specialist ground engineering firm in charge of geotechnical engineering projects. Dr Loh has also conducted seminars and courses on geotechnical instrumentation. He is a registered professional engineer in Singapore. He is also a registered professional engineer in Malaysia, where he is a member of the Institute of Engineers Malaysia. Dr Loh holds a Master of Engineering and Doctor of Philosophy from the National University of Singapore.

WATER & ENVIRONMENTAL PROTECTION

The Group has steadily built the water-related & environmental business into a one-stop water treatment solutions provider in China and the region. Tritech Environmental Group now has a unique platform to provide a total solution for water and environmental issues.

Its complete suite of offerings ranges from the design and supply of membrane and membrane-related products, provision of Engineering, Procurement and Construction (EPC) services for water treatment projects, operation of water treatment plants, to the supply of water quality and environmental monitoring services.

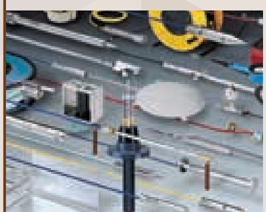
1999-2018 MILESTONES

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008

15 Dec 1999
Registration of Tritech Engineering & Testing (Singapore) Pte Ltd to provide engineering services including instrumentation and site exploration

1 Aug 2000
Tritech Malaysia registered, to expand the Group's operations in Malaysia

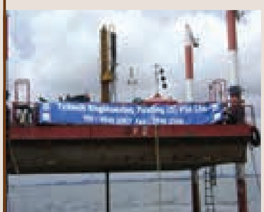
21 Jan 2001
Tritech Consultants registered to enable Tritech to become a leading geotechnical consultants in Singapore



4 April 2002
Tritech Geokon registered, a distributor of Geokon Inc in Singapore

2 Dec 2002
Tritech Consultants became Tritech Consultants Pte. Ltd., to start providing ground improvement services

November **2002** -
July **2003**
SARS Pandemic



Jan 2004
Tritech entered into various Oil & Gas contracts, as a leading consultant for underground oil storage

4 Feb 2004
Registration of Tritech Water Technologies

Jan 2005
Tritech was awarded a contract for providing instrumentation and monitoring services for MRT Circle Line project, the first contract for instrumentation and monitoring works awarded by LTA to a main contractor in Singapore

4 Jan 2005
Registration of Beijing Wisetec, to expand the Group's operations into China

26 Nov 2005
Acquired 30% of SysEng (S) Pte Ltd to enable our Group to tap into and leverage on the machine-to-machine monitoring technologies, which enabled Tritech to be the leading player in this area

2 Dec 2006
Acquired 100% of Presscrete

Nov 2006
Tritech Engineering was awarded Enterprise 50, and was ranked 13 out of 50 companies

Nov 2007
Tritech Engineering was awarded Enterprise 50, and was ranked 26 out of 50 companies

Aug 2008
Tritech successfully completed its IPO

Early 2008 – mid 2009
Global Financial Crisis

2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

22 Jul 2009
Acquired the remaining 70% of SysEng (S) Pte Ltd

18 Jan 2010
Registration of Tritech Qingdao

27 Aug 2010
Registration of Tritech Water Institute

30 Mar 2011
Acquired Terratech Resources Pte. Ltd. and CEP Resources Entity Sdn Bhd and entered the limestone quarrying business

April **2012**
Tritech Group Ltd was awarded the Singapore Brands **2012**
（新加坡品牌2012）

14 Sep 2012
Announcement of Proposed Spin-Off and Listing of Subsidiaries in the Marble Resource Business

28 Feb 2014
Tritech Group Limited was awarded the "Asia Pacific Brand Award 2014"

30 July 2014
Our Group's subsidiary, Terratech Group Limited, has been successfully listed on SGX Catalist

June 2015
SINTEF-TRITECH-MULTICONSULT Consortium was awarded the Singapore Design 2015 for the Jurong Rock Cavern Project

15 Jan 2016
Completion of Water-related and Environmental Business restructuring

22 Jan 2016
Acquired 54% of Geosoft Pte Ltd to enable the Group to own and market the geotechnical engineering commercial program product 2D and 3D GeoFEA

4 May 2017
Completion of disposal and Cessation of subsidiaries in the Marble Resource Business

29 May 2017
Completion of Engineering – Related Business Restructuring

IMPROVE OUR COMPETITIVENESS

The Group continues to execute strategic initiatives to mitigate industry challenges and strengthen its engineering, and water-related and environmental business. We will make continual efforts to review and optimise the Group's cost structure, and implement measures to improve our competitiveness in the industry.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Professor Yong Kwet Yew
Non-Executive Chairman and Independent Director

Dr Wang Xiaoning (Jeffrey Wang)
Managing Director

Dr Cai Jungang
Executive Director

Mr Aw Eng Hai
Independent Director

Dr Loh Chang Kaan
Non-Independent Non-Executive Director

NOMINATING COMMITTEE
Professor Yong Kwet Yew
Chairman

Mr Aw Eng Hai

Dr Wang Xiaoning (Jeffrey Wang)

Dr Loh Chang Kaan

AUDIT COMMITTEE
Mr Aw Eng Hai
Chairman

Professor Yong Kwet Yew

Dr Loh Chang Kaan

REMUNERATION COMMITTEE
Professor Yong Kwet Yew
Chairman

Mr Aw Eng Hai

Dr Loh Chang Kaan

COMPANY SECRETARY
Lee Pih Peng, MBA, LLB

REGISTERED OFFICE
2 Kaki Bukit Place #07-00
Eunos Techpark
Singapore 416180
Tel: (65) 6848 2567
Fax: (65) 6848 2568
Website: http://www.tritech.com.sg

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

INDEPENDENT AUDITORS
ERNST & YOUNG LLP
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower #18-01
Singapore 048583

Partner-in-charge: Ang Chuen Beng
(Appointed since the financial year ended 31 March 2015)

PRINCIPAL BANKERS
DBS Bank
12 Marina Boulevard #43-04
DBS Asia Central @ MBFC Tower 3
Singapore 018982

United Overseas Bank Limited
1 Jalan Wangi
Singapore 349350

SPONSOR
PrimePartners Corporate Finance Pte Ltd
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

CORPORATE GOVERNANCE REPORT

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2012 AND CATALIST RULES

The Board of Directors (the "Board") of Tritech Group Limited (the "Company" and together with its subsidiaries, the "Group") are committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company's corporate governance practices that were in place during the financial year ended 31 March 2018 ("FY2018"), with specific reference made to the principles of the Code of Corporate Governance 2012 (the "Code") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "SGX-ST") in January 2015 (the "Guide").

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2018.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3">BOARD MATTERS</td></tr>
<tr><td colspan="3"><u>The Board's Conduct of Affairs</u></td></tr>
<tr><td>1.1</td><td>What is the role of the Board?</td><td>The Board has five (5) members and comprises the following:
<table>
<tr><th colspan="2">Table 1.1 – Composition of the Board</th></tr>
<tr><th>Name of Director</th><th>Designation</th></tr>
<tr><td>Dr Wang Xiaoning</td><td>Managing Director ("MD")</td></tr>
<tr><td>Dr Cai Jungang</td><td>Executive Director</td></tr>
<tr><td>Professor Yong Kwet Yew</td><td>Non-Executive Chairman and Independent Director</td></tr>
<tr><td>Mr Aw Eng Hai</td><td>Independent Director</td></tr>
<tr><td>Dr Loh Chang Kaan</td><td>Non-Executive and Non-Independent Director</td></tr>
</table>
The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board's principle functions are to:
• provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
• establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
• review the Management's performance;
• identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
• set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
• consider sustainability issues such as environmental and social factors, as part of its strategic formulation.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1.3</td><td>Has the Board delegated certain responsibilities to committees? If yes, please provide details.</td><td>The Board has delegated certain responsibilities to the Audit Committee (the "AC"), the Remuneration Committee (the "RC"), the Nominating Committee (the "NC") (collectively, the "Board Committees"). The compositions of the Board Committees are as follows:

Table 1.3 – Composition of the Board Committees
<table><tr><th></th><th>AC</th><th>NC</th><th>RC</th></tr><tr><td>Chairman</td><td>Mr Aw Eng Hai</td><td>Professor Yong Kwet Yew</td><td>Professor Yong Kwet Yew</td></tr><tr><td>Member</td><td>Professor Yong Kwet Yew</td><td>Dr Wang Xiaoning</td><td>Mr Aw Eng Hai</td></tr><tr><td>Member</td><td>Dr Loh Chang Kaan</td><td>Mr Aw Eng Hai</td><td>Dr Loh Chang Kaan</td></tr></table></td></tr>
<tr><td>1.4</td><td>Have the Board and Board Committees met in the last financial year?</td><td>The Board meets on a quarterly basis, and as and when circumstances require. In FY2018, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below:

Table 1.4 – Board and Board Committees Meeting in FY2018
<table><tr><th></th><th>Board</th><th>AC</th><th>NC</th><th>RC</th></tr><tr><td>Number of Meetings Held</td><td>4</td><td>4</td><td>1</td><td>1</td></tr><tr><td colspan="5">Name of Director</td></tr><tr><td>Dr Wang Xiaoning</td><td>4</td><td>4^</td><td>1</td><td>1^</td></tr><tr><td>Dr Cai Jungang</td><td>4</td><td>4^</td><td>1^</td><td>1^</td></tr><tr><td>Professor Yong Kwet Yew</td><td>4</td><td>4</td><td>1</td><td>1</td></tr><tr><td>Mr Aw Eng Hai</td><td>4</td><td>4</td><td>1</td><td>1</td></tr><tr><td>Dr Loh Chang Kaan</td><td>4</td><td>4</td><td>1</td><td>1</td></tr></table>
^ By Invitation.

The Company's Constitution (the "Constitution") allows for meetings to be held in person, through telephone and/or video-conference.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
1.5	What are the types of material transactions which require approval from the Board?	Matters and transactions that require the Board's approval include, amongst others, the following: • corporate or financial restructuring; • corporate strategy and business plans; • material acquisitions and disposals; • share issuances (including stock options or other equity awards), dividends and other capital transactions and returns to shareholders; • approval of annual audited financial statements of the Group and the Directors' Report thereto; • any public reports or press releases reporting the financial results of the Group's operations; and • matters involving a conflict or potential conflict of interest involving a substantial shareholder or a Director.
1.6	(a) Are new Directors given formal training? If not, please explain why.	Upon the appointment of a new Director, the Company will provide the Director with a formal letter, setting out the Director's duties and obligations. The Board ensures that all incoming Directors will receive comprehensive and tailored induction on joining the Board, including briefing on his duties as a Director and how to discharge those duties, and an orientation program to ensure that they are familiar with the Company's business and organisation structure, strategic direction and governance practices. The Company also provides training for any new first-time Directors (who has no prior experience as a director in a listed company) in areas such as accounting, legal and industry-specific knowledge as appropriate through external courses. All new first-time Directors (who have no prior experience as a director in a listed company) are also required to attend appropriate SGX-SID Listed Company Director (LCD) Programmes offered by the Singapore Institute of Directors ("SID"). To get a better understanding of the Company's business, the Director will also be given the opportunity to visit the Company's operational facilities and meet with key management personnel.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. The Board will consider adopting a policy on continuous professional development for Directors. To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, market or operations which may be provided by accredited training providers such as the Singapore Institute of Directors. Directors are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the Company's business. Such trainings costs are borne by the Company. In addition, briefings and updates for the Directors in FY2018 included: • The external auditors ("EA") had briefed the AC on changes or amendments to accounting standards; • The Company Secretary, where appropriate, had briefed the Board on the new requirements under the SGX-ST Listing Manual Section B: Rules of Catalist (the "Catalist Rules") and the Companies Act (Chapter 50) of Singapore (the "Companies Act").

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Board Composition and Guidance		
2.1 2.2 3.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Guideline 2.1 of the Code is met as the Independent Directors make up 2/5 of the Board for the financial year under review.
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	The Board takes into account the existence of relationships or circumstances that are relevant in its determination as to whether a Director is independent, including: • not being directly associated with any 10% shareholder of the Company; • lack of relationship with the Company or its related corporations; • lack of relationship with officers of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interest of the Company; and • independence based on length of service In addition, the NC reviews the individual Directors' declaration in their assessment of independence and their actual performance on the Board and Board Committees. The Company has in place a policy whereby the Directors must: • consult both the Chairman of the Board and the NC Chairman prior to accepting new Director appointments; and • immediately report any changes in their external appointments, including any corporate developments relating to their external appointments, which may affect their independence. This ensures that Directors continually meet the stringent requirements of independence under the Code. The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors have also confirmed their independence in accordance with the Code.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	There are no Directors who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.
2.4	Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	Notwithstanding that Professor Yong Kwet Yew has served beyond nine years since the date of his first appointment, the Board is of the view that Professor Yong Kwet Yew is independent as he has: • contributed constructively and objectively throughout his term in the Company; • sought clarification and amplification of matters from time to time as he deemed necessary, including through direct access to key management personnel; and • provided impartial advice and insights, and has exercised his strong independent character and judgement in doing so. The following additional rigorous assessments were conducted and deliberated by the Board before the arriving at the conclusion: • review of Board and Board Committee meetings minutes to assess questions and voting actions of the respective Independent Directors; • Professor Yong Kwet Yew's declarations of independence; and • board committee performance assessment done by the other Directors.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>Accordingly, the NC and Board has determined that Professor Yong Kwet Yew tenure in office has not affected his independence and ability to bring independent and considered judgment to bear in his discharge of duties as Non-Executive Chairman a member of the Board and Board Committees.</td></tr>
<tr><td>2.5</td><td>What are the steps taken by the Board to progressively renew the Board composition?</td><td>The Board is of the opinion that it would be most effective to draw on the wealth of experience from the longer serving directors while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed required.

To meet the changing challenges in the industry and countries which the Group operates in, such reviews, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done on an annual basis to ensure that the Board dynamics remain optimal.</td></tr>
<tr><td>2.6</td><td>(a) What is the Board's policy with regard to diversity in identifying director nominees?</td><td>The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.</td></tr>
<tr><td></td><td>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</td><td>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:
<table>
<tr><th colspan="3">Table 2.6 – Balance and Diversity of the Board</th></tr>
<tr><th></th><th>Number of Directors</th><th>Proportion of Board</th></tr>
<tr><td colspan="3">Core Competencies</td></tr>
<tr><td>– Accounting or finance</td><td>1</td><td>20%</td></tr>
<tr><td>– Business management</td><td>4</td><td>80%</td></tr>
<tr><td>– Relevant industry knowledge or experience</td><td>5</td><td>100%</td></tr>
<tr><td>– Strategic planning experience</td><td>5</td><td>100%</td></tr>
<tr><td>– Customer based experience or knowledge</td><td>5</td><td>100%</td></tr>
</table></td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		The Board comprises business leaders and professionals with financial, business management and relevant industry experience. The Board has reviewed its composition, taking into account the size and nature of the operations of the Group, and is satisfied that the current size of the Board is appropriate and allows for effective decision making, providing the necessary core competencies to meet the Group's needs and to allow for diverse and objective perspectives on the Group's strategic direction and growth. The Independent Director, Mr Aw Eng Hai has extensive experience in accounting and corporate governance. In addition to the Executive Directors and Non-Executive Director, Independent Director Professor Yong Kwet Yew has extensive relevant industry experience, strategic planning experience and customer based knowledge.
	(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	The Board has taken the following steps to maintain or enhance its balance and diversity: • Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and • Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board. The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.
2.8	Have the Non-Executive Directors met in the absence of key management personnel in the last financial year?	The Non-Executive Directors are scheduled to meet regularly, and as warranted, in the absence of key management personnel to discuss concerns or matters such as the effectiveness of Management. The Non-Executive Directors have met at least once without the presence of management in FY2018.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Chairman and Chief Executive Officer		
3.1	Are the duties between Chairman and MD segregated?	The Group's policy is to have a separate Non-Executive Chairman and MD in order to provide an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. Professor Yong Kwet Yew is the Non-Executive Chairman and Dr Wang Xiaoning is the MD of the Company. There is a clear division of responsibilities between the Non-Executive Chairman and the MD, which ensures there is a balance of power and authority, and that accountability and independent decision-making are not compromised. The MD has full executive responsibilities in the business directions and operational efficiency of the Group. He oversees the execution of the Group's corporate and business strategies and is responsible for the day-to-day running of the business. Both the Non-Executive Chairman and the MD are not related to each other. The Non-Executive Chairman is also an Independent Director who is not part of the Management. The Board is of the view that there are sufficient safeguards and checks that the process of decision making by the Board is independent and based on collective decisions, without any individual or groups of individuals exercising any considerable concentration of power or influence. The Non-Executive Chairman oversees the business of the Board. He leads the Board discussions and ensures that Board meetings are convened when necessary. He sets the Board's meeting agenda in consultation with the MD and ensures the quality, quantity and timeliness of the flow of information between the Board and key management personnel to facilitate efficient decision making.
3.4	Have the Independent Directors met in the absence of other Directors?	The Independent Directors have met at least once without the presence of other directors in FY2018.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Board Membership		
4.1	What are the duties of the NC?	The NC is guided by terms of reference, key terms of which are as follows: (a) determining annually, and as and when circumstances require, whether a Director is independent, and providing its views to the Board in relation thereto for the Board's consideration; (b) making recommendations to the Board on the appointment and re-appointment of Directors (including alternate directors, if applicable); (c) where a Director or proposed Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director; (d) carrying out, at least annually, a formal assessment of the performance and effectiveness of the Board as a whole and its Board Committees and (if applicable) the contributions of individual Directors to the effectiveness of the Board, based on the process implemented by the Board; (e) based on the results of the performance evaluation, providing its views and recommendations to the Board, including any appointment of new members; (f) the review of board succession plans for Directors; and (g) the review of training and professional development programs for the Board.
4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	The Board has not capped the maximum number of listed company board representations each Director may hold.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(b) If a maximum has not been determined, what are the reasons?	The Board, with the concurrence of the NC, has agreed that the Company shall not impose a maximum number of listed board representations on the Directors as the Board is of the opinion that setting a fixed number would not adequately take into account the varied circumstances of each Director. The NC will instead focus on whether a Director has sufficient time to adequately discharge his/her duties to the Company. The NC would monitor and determine annually, on a case-by-case basis, whether each Director has given sufficient time and attention to the affairs of the Company and adequately carry out his/her duties as a Director of the Company. Although some of the Directors have other board representations, the NC is satisfied that in FY2018, each Director was able to devote adequate time and attention to the affairs of the Company to fulfil his duties as a Director of the Company. The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his or her other listed company board directorships and other principal commitments, not guided by a numerical limit. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.
	(c) What are the specific considerations in deciding on the capacity of directors?	The considerations in assessing the capacity of Directors include the following: • Expected and/or competing time commitments of Directors; including whether such commitment is a full-time or part-time employment capacity; • Geographical location of Directors; • Size and composition of the Board; • Nature and scope of the Group's operations and size; and • Capacity, complexity and expectations of the other listed directorships and principle commitments held.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		The measures and evaluation tools in place to assess the performance and consider competing time commitments of the Directors include the following: • Declarations by individual Directors of their other listed company board directorships and principal commitments; • Annual confirmations by each Director on his/her ability to devote sufficient time and attention to the Company's affairs, having regard to his/her other commitments; and • Assessment of the individual Directors' performance based on the criteria set out in Section 5 of this report.
	(d) Have the Directors adequately discharged their duties?	The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately in FY2018.
4.5	Are there alternate Directors?	The Company currently does not have any alternate directors. Alternate Directors will be appointed as and when the Board deems necessary. Circumstances which warrant such appointments may include health, age related concerns as well as Management succession plans.
4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	<table><tr><th colspan="3">Table 4.6(a) – Process for the Selection and Appointment of New Directors</th></tr><tr><td>1.</td><td>Determination of selection criteria</td><td>• The NC identifies the key attributes that an incoming Director should have, based on attributes of the existing Board and the requirements of the Company.</td></tr><tr><td>2.</td><td>Search for suitable candidates</td><td>• The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</td></tr></table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation

3.	Assessment of shortlisted candidates	• The NC would meet and interview the shortlisted candidates to assess their suitability, taking into account various factors including the relevant expertise, experience, qualifications, background, attributes, capabilities, skills and age of the candidates and how these would augment the Board and its existing Directors. • Shortlisted candidates would be required to furnish their curriculum vitae and complete certain forms to enable to NC to assess the candidate's independence status and compliance with the Company's established internal guidelines.
4.	Appointment of director	• The NC would recommend the selected candidate to the Board for consideration and approval.

Table 4.6(b) – Process for the Re-electing Incumbent Directors		
1.	Assessment of director	• The NC would assess the performance of the director in accordance with the performance criteria set by the Board; • The NC would also consider the current needs of the Board; • The NC would assess the Director's competencies, commitment and contributions; and • The NC would also review the range of expertise, performance, skills and attributes of current Board members and consider the current needs of the Board.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><td>2.</td><td>Re-appointment of director</td><td>• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.

The Company's Constitution provides that all Directors are subject to re-nomination and re-election at regular interval of at least once every three (3) years. At each annual general meeting of the Company ("AGM"), at least one-third of the Board are to retire and submit themselves for re-election. It also provides that a newly appointed Director must retire and submit himself/herself for re-election at the next AGM following his/her appointment.

The NC (with any member who is interested in the discussion having abstained from the deliberation(s)) has recommended to the Board that Mr. Aw Eng Hai and Dr. Cai Jungang be re-elected at the forthcoming AGM. The Board has accepted the NC's recommendation.

Mr. Aw Eng Hai will, upon re-election as a Director of the Company, remain as the Independent Director of the Company, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. The Board considers Mr. Aw Eng Hai to be independent for the purpose of Rule 704(7) of the Catalist Rules.</td></tr>
</table>
</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		Dr. Cai Jungang will, upon re-election as a Director of the Company, remain as the Executive Director of the Company. Save as disclosed above, neither Mr Aw Eng Hai nor Dr Cai Jungang, has any material relationships between themselves and the Directors, the Company and its 10% shareholders.
4.7	Please provide Directors' key information.	The key information of the Directors, including their appointment dates and directorships held in the past 3 years, are set out on pages 12 to 13 of this Annual Report.
Board Performance		
5.1 5.2 5.3	What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its board committees, and for assessing the contribution by each Director to the effectiveness of the Board?	Table 5 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its board committees; and for assessing the contribution by each Director to the effectiveness of the Board. The evaluations are designed to assess the Board's effectiveness to enable the NC Chairman and Board to identify the areas of improvement or enhancement which can be made to the Board:

Table 5 – Board Performance Criteria

Performance Criteria	Board and Board committees
Qualitative	1. Size and composition, access to information and Board processes 2. Strategic planning 3. Board accountability 4. Risk management 5. Succession planning

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><td>Quantitative</td><td>The Board currently does not evaluate the Board and Board Committees based on quantitative criteria as the Board is of the opinion that it is more important to evaluate the Board and Board Committees on its ability to provide guidance to Management in relation to strategic planning and the development of the business of the Group. However, the Board will keep in view and consider including quantitative criteria in future evaluations where appropriate.</td></tr>
</table>

The NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval.

The NC did not propose any changes to the performance criteria for FY2018 as compared to the previous financial year as the economic climate, Board composition, the Group’s principal business activities remained the same since FY2017.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	The review of the performance of the Board and the Board Committees is conducted by the NC annually. Currently, such assessment is focused mainly on the performance and effectiveness of the Board as a whole and on the proper functioning of the various Board Committees and does not include a separate or specific assessment of the performance or contributions of individual Directors. This is because the necessity or efficacy of adopting a formal process for assessing the contribution by the Non-Executive Chairman and each individual Director to the effectiveness of the Board is mitigated by the relatively small size of the Board, although the NC and the Board may review this in the future as the Company and the Board becomes more mature and established in its business and corporate governance practices. In FY2018, the review process was as follows: 1. All Directors individually completed a board evaluation questionnaire on the effectiveness of the Board and the Board Committees based on criteria disclosed in Table 5 above; 2. The results of such assessment was collated and submitted to the NC Chairman who reviewed it together with the NC; and 3. The NC discussed the report and where applicable considered any appropriate follow up actions to be undertaken. No external facilitator was used in the evaluation process.
	(b) Has the Board met its performance objectives?	In FY2018, in relation to the rigorous assessment that was done by the Directors, the Directors have on a whole assessed the performance of the Board and Board Committees to be good and there were no particular issues or concerns that were highlighted. On this basis, the Board has met its performance objectives.

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<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>Access to Information</u></td></tr>
<tr><td>6.1
10.3</td><td>What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</td><td>It is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. This responsibility extends to the interim and full-year financial results announcements, other price-sensitive public reports and reports to regulators (if required).

Management provides the Board with key information that is complete, adequate and timely. The types of information which are provided by Management to Independent Directors are set out in the table below:

<table>
<tr><th colspan="3">Table 6 – Types of information provided by key management personnel to Independent Directors</th></tr>
<tr><th></th><th>Information</th><th>Frequency</th></tr>
<tr><td>1.</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>Quarterly</td></tr>
<tr><td>2.</td><td>Updates to the Group's operations and the markets in which the Group operates in</td><td>Quarterly</td></tr>
<tr><td>3.</td><td>Management accounts (with financial analysis)</td><td>Quarterly</td></tr>
<tr><td>4.</td><td>Reports on on-going or planned corporate actions</td><td>As and when relevant</td></tr>
<tr><td>5.</td><td>Enterprise risk framework and internal auditors' ("IA") report(s)</td><td>As and when relevant</td></tr>
<tr><td>6.</td><td>Research report(s)</td><td>As and when available</td></tr>
<tr><td>7.</td><td>Shareholding statistics</td><td>Yearly or as and when relevant</td></tr>
<tr><td>8.</td><td>Regulatory updates and implications</td><td>As and when available</td></tr>
<tr><td>9.</td><td>Significant project updates</td><td>As and when available</td></tr>
<tr><td>10.</td><td>External Auditors' reports</td><td>Yearly</td></tr>
</table>
</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information for the Board meetings in the soonest to allow sufficient time for the Directors' review. Management will also on best endeavours, encrypt documents which bear material price sensitive information when circulating documents electronically. Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. Directors are also provided with the contact details of key management personnel to facilitate direct and independent access to Management.
6.3	What is the role of the Company Secretary?	All Directors have separate and independent access to the Company Secretary. The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows: • Ensuring that Board procedures are observed and that the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act and the Catalist Rules, are complied with; • Assisting the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long term shareholder value; • Assisting the Chairman to ensure good information flows within the Board, Board Committees and key management personnel; • Attending and preparing minutes for all Board meetings; and • Assisting the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings.

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		As and when required by the Board, the Company Secretary would: • Facilitate orientation and assist with professional development; • Update key management personnel on any material changes in relation to key compliance requirements under the Catalist Rules, including timely disclosure of material; and • As secretary to all the other Board Committees, assist to ensure coordination and liaison between the Board, the Board Committees and key management personnel. Individually or collectively, in order to execute their duties, Directors are able to obtain independent professional advice at the Company's expense as and when required.
REMUNERATION MATTERS		
Developing Remuneration Policies **Level and Mix of Remuneration**		
7.1	What is the role of the RC?	The RC is guided by key terms of reference as follows: (a) Review and recommend to the Board annually the specific remuneration packages for each Director as well as for the key management personnel; (b) reviewing all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind; (c) reviewing annually the remuneration of employees who are immediate family members of a Director or the MD whose remuneration exceeds S$50,000 during the financial year; and (d) reviewing the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service. No member of the RC is involved in deciding his/her own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberation.

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Guideline	Code and/or Guide Description	Company's Compliance or Explanation
7.3	Were remuneration consultants engaged in the last financial year?	There were no remuneration consultants engaged by the Company in FY2018. The Company is of the view that the annual review by the RC, giving due regard to prevailing market conditions as well as the financial, commercial health and business needs of the Group is currently sufficient to ensure the continued relevance of such remuneration packages to the Group's strategic business objectives and alignment with market practices.
8.4	Are "claw-back" provisions provided for in the service agreements of Executive Directors and key management personnel?	The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Directors and key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Directors and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate.
Disclosure on Remuneration		
9	What is the Company's remuneration policy?	The Company's remuneration policy which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards is one that seeks to attract, retain and motivate the Directors to provide good stewardship of the Company and the key management to successfully manage the Company, the performance of the Group, as well as individual Director and key management, aligning their interests with those of shareholders and promote the long term success of the Company. In its deliberations, the RC takes into account the risk policies of the Company, symmetry with risk outcomes and time horizon of risks as well as industry benchmarks and norms in compensation.

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<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>9.1
9.2</td><td>Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>The breakdown for the remuneration of the Directors in FY2018 is as follows:
<table>
<tr><th>Name</th><th>Remuneration Band</th><th>Salary (%)</th><th>Bonus (%)</th><th>Directors Fees (%)</th><th>Benefits (%)*</th><th>Total (%)</th></tr>
<tr><td>Dr Wang Xiaoning</td><td>From S$250,000 to S$499,999</td><td>96.4</td><td>–</td><td>–</td><td>3.6</td><td>100</td></tr>
<tr><td>Dr Cai Jungang</td><td>From S$250,000 to S$499,999</td><td>97.4</td><td>–</td><td>–</td><td>2.6</td><td>100</td></tr>
<tr><td>Professor Yong Kwet Yew</td><td>Below S$250,000</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Mr Aw Eng Hai</td><td>Below S$250,000</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Dr Loh Chang Kaan</td><td>Below S$250,000</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
</table>
* includes mainly employer's contributions to the Central Provident Fund.

After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director and key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment.

There are no termination, retirement, post-employment benefits that may be granted to Directors, the MD and key management personnel.</td></tr>
<tr><td>9.3</td><td>(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the MD) in FY2018 is as follows:
<table>
<tr><th>Name</th><th>Remuneration Band</th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits-in-kind (%)*</th><th>Total (%)</th></tr>
<tr><td>Bi Xiling</td><td>Below S$250,000</td><td>91.0</td><td>–</td><td>9.0</td><td>100</td></tr>
<tr><td>Dr. Hong Sze Han</td><td>Below S$250,000</td><td>91.0</td><td>–</td><td>9.0</td><td>100</td></tr>
<tr><td>Mui Siew Yun</td><td>Below S$250,000</td><td>90.0</td><td>–</td><td>10.0</td><td>100</td></tr>
</table>
* includes mainly employer's contributions to the Central Provident Fund.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).	The Company only has 3 top key management personnel and the total remuneration paid to them in FY2018 was S$388,290.
9.4	Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.	Bi Xiling, Technical Director of Tritech Consultants Pte Ltd, is the spouse of Dr Cai Jungang, who is the Executive Director of the Company. The remuneration of Bi Xiling was between S$100,000 to S$150,000 in FY2018.
9.5	Please provide details of the employee share scheme(s).	Information on the Company's employee share scheme and performance share awards is set out on page 57 of this Annual Report.
9.6	(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.	The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group in FY2018. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.

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<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</td><td>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:
<table>
<tr><th colspan="3">Table 9.6(b)</th></tr>
<tr><th>Performance Conditions</th><th>Short-term Incentives (such as performance bonus)</th><th>Long-term Incentives (such as share scheme)</th></tr>
<tr><td>Qualitative</td><td>1. Leadership
2. People development
3. Commitment
4. Teamwork
5. Current market and industry practices
6. Macro-economic factors</td><td>1. Commitment
2. Current market and industry practices</td></tr>
<tr><td>Quantitative</td><td>1. Relative financial performance of the Group to its industry peers
2. Productivity enhancement</td><td>1. Relative financial performance of the Group to its industry peers over a 5-year period</td></tr>
</table>
</td></tr>
<tr><td></td><td>(c) Were all of these performance conditions met? If not, what were the reasons?</td><td>Yes, the RC has reviewed and is satisfied that the performance conditions were met in FY2018.</td></tr>
</table>

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Guideline	Code and/or Guide Description	Company's Compliance or Explanation
ACCOUNTABILITY AND AUDIT		
Risk Management and Internal Controls		
11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	The Board is responsible for the overall risk governance, risk management and internal control framework of the Group and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks. The Board also oversees management in the design, implementation and monitoring of the risk management and internal control systems and is responsible for determining the Company's risk policies and levels of risk tolerance. The Board is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective in FY2018. The bases for the Board's view are as follows: 1. Assurance has been received from the MD, Financial Controller ("FC") and IA (refer to Section 11.3(b) below); 2. An internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed; 3. Key management personnel regularly evaluates, monitors and reports to the AC on material risks; and 4. Discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns. The Company is gradually placing emphasis on sustainability and would implement appropriate policies and programmes when the opportunities arise. The Board noted that there are some areas requiring improvement as identified by the internal auditors during the course of their audit performed in FY2018. The Board accepts the internal auditors' recommendations to address such deficiencies and will ensure that these recommendations are implemented. Management will provide updates at the appropriate juncture to the AC with respect to the implementation progress.

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	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Yes, the Board has obtained such assurance from the MD and FC in respect of FY2018. The Board has relied on the independent auditors' report as set out in this Annual Report as assurance that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances. The Board has additionally relied on IA's reports in respect of operational scope issued to the Company since FY2018 as assurances that the Company's risk management and internal control systems are effective.
Audit Committee		
12.1 12.4	What is the role of the AC?	All members of the AC are Non-Executive Directors, majority of whom are independent, and do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm. The key terms of reference of the AC are, inter alia, as follows: • Reviewing the audit plans of the internal and external auditors of the Group and the Company and reviewing the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors; • Reviewing the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;

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		• Reviewing the adequacy and effectiveness of the Group's and the Company's material internal controls, including financial, operational compliance and information technology controls and risk management systems via reviews carried out by the internal auditor; • Meeting with the external auditor, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC; • Reviewing legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators; • Reviewing the cost effectiveness and the independence and objectivity of the external auditor; • Reviewing the nature and extent of non-audit services provided by the external auditor; • Recommending to the Board of Directors the external auditor to be nominated, approving the compensation of the external auditor, and reviewing the scope and results of the audit; • Reporting actions and minutes of the AC to the board of directors with such recommendations as the AC considers appropriate; and • Reviewing interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.
12.2	Are the members of the AC appropriately qualified to discharge their responsibilities?	Yes. The Board considers Mr Aw Eng Hai, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC.
12.5	Has the AC met with the auditors in the absence of key management personnel?	Yes, the AC has met with the IA and the EA separately without the presence of the management in FY2018.

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<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td rowspan="3">12.6</td><td>Has the AC reviewed the independence of the EA?</td><td>The AC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the EA, and has recommended the re-appointment of the EA at the forthcoming AGM.</td></tr>
<tr><td>(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.</td><td>
<table>
<tr><th colspan="3">Table 12.6(a) – Fees Paid/Payable to the EA in FY2018</th></tr>
<tr><td></td><td>$</td><td>% of total</td></tr>
<tr><td>Audit fees
– Tritech Group Limited
– Terratech Group Limited</td><td>
342,679
19,665</td><td>
82.5
4.7</td></tr>
<tr><td>Non-audit fees
– Tax compliance</td><td>
53,185</td><td>
12.8</td></tr>
<tr><td>Total</td><td>415,529</td><td>100</td></tr>
</table>
</td></tr>
<tr><td>(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.</td><td>The non-audit services rendered during FY2018 were not substantial.</td></tr>
<tr><td>12.7</td><td>Does the Company have a whistle-blowing policy?</td><td>The AC has in consultation with the Board, initiated the implementation of fraud and whistle-blowing policy for all employees including employees of the Company's oversea subsidiaries. This policy aims to provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimisation for fraud and whistle-blowing in good faith.

To-date, there were no reports received through the whistle blowing mechanism.</td></tr>
</table>

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		The AC has set up a whistle-blowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters. The policy seeks to encourage reporting in good faith of suspected improprieties (eg. conduct that is dishonest, fraudulent, corrupt, illegal, other serious improper conduct, unsafe work practice or any other conduct which may cause financial or non-financial loss to the Company or damage to the Company's reputation. A person who files a report or provides evidence which he knows to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by the whistle-blowing policy and may be subject to administrative and/or disciplinary action. Similarly, a person may be subject to administrative and/or disciplinary action if he subjects (i) a person who has made or intends to make a report in accordance with the whistle-blowing policy, or (ii) a person who was called or may be called as a witness, to any form of reprisal which would not have occurred if he did not intend to, or had not made the report or be a witness. The details of the whistle-blowing policy are made available to all employees. The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to the Company Secretary and/or to members of the AC. The key details on the Company's whistle-blowing policy are as follows: • The AC has authority to investigate any matter including whistle-blowing within its Terms of Reference. • All whistle-blower complaints will be reviewed by the AC to ensure independent and thorough investigation and adequate follow-up. • The Company has maintained a whistle-blowing register to record all the whistle-blowing incidents.

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Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		• Reports made anonymously will not be considered unless as directed by the AC, having taken into account factors such as the severity of the matters raised/Anonymous disclosures will be accepted and anonymity and confidentiality will be honoured throughout the process. • The contents including "nil" returns in the register is reviewed by the AC at its quarterly meetings.
12.8	What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?	The majority of the AC members are kept up to date with changes to accounting standards and issues which have a direct impact on financial statements in view of their professional background. In addition, the Company will take note of useful courses and highlight these to Directors where appropriate to supplement and keep Directors updated on avenues to gain further competency in accounting and industry-specific knowledge.
Internal Audit		
13.1 13.2 13.3 13.4 13.5	Please provide details of the Company's internal audit function, if any.	The Company's internal audit function is outsourced to RHT Governance & Risk (Singapore) Pte Ltd that reports directly to the AC Chairman and administratively to the MD. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied that RHT Governance & Risk (Singapore) Pte Ltd is adequately qualified (given, inter alia, its adherence to standards set by nationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively given, inter alia, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.
SHAREHOLDER RIGHTS AND RESPONSIBILITIES		
Shareholder Rights		
14.2	Are shareholders informed of the rules, including voting procedures that govern general meetings of shareholders?	Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures that govern the general meetings of shareholders.

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14.3	Are corporations which provide nominee or custodial services allowed to appoint more than two proxies?	The Company's Constitution allows a shareholder to appoint up to two proxies to attend and vote in the shareholder's place at the general meetings of shareholders. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a Central Provident Fund agent bank may attend and vote at general meetings.
Communication with Shareholders		
15.1	Does the Company have an investor relations policy?	The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arises.
15.2 15.3 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	The Company firmly believes in high standards of transparent corporate disclosure by disclosing to its stakeholders, including its shareholders the relevant information on a timely basis through SGXNet. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable. Communication is made through: 1) Annual reports that are prepared and sent to all shareholders. The Board ensures that the annual report includes all relevant material information about the Company and the Group, including future developments and other disclosures required by the relevant rules and regulations; 2) Quarterly and full year announcements containing a summary of the financial information and affairs of the Group for that period; 3) Notices of explanatory memoranda for AGMs and Extraordinary General Meetings ("EGM"). The notice of AGM and EGM are also advertised in a national newspaper; and 4) Press and news releases on major developments of the Company and the Group.

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	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	The Board endeavours to establish and maintain regular dialogue with shareholders so as to gather views or inputs and address shareholders' concern. The Board will also engage in investor relations activities to allow the Company to engage shareholders as and when it deems necessary and appropriate.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Apart from the SGXNet announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at www.tritech.com.sg.
15.5	Does the Company have a dividend policy?	The Company does not have a fixed dividend policy at present. The declaration and payment of dividends by the Company from time to time is subject to many factors, including but not limited to, the Company's results of operations, cash flows and financial position, the Company's expansion requirements and working capital requirements, dividend payment by the Company's subsidiaries and the Company's future growth and prospects. Nonetheless, key management personnel will review, inter alia, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration.
	Is the Company paying dividends for the financial year? If not, please explain why.	The Company did not declare dividends to shareholders for FY2018 as the Group reported a net loss of $11.5 million for FY2018 and continues to operate under challenging conditions for its water-related and environmental business segment.
CONDUCT OF SHAREHOLDER MEETINGS		
16.1 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	The Company's Constitution allows for absentia voting. The Company requires all Directors (including the respective Chairman of the Board Committees) to be present at all general meetings of shareholders, unless of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report.

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		All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting. All minutes of general meetings, including the questions raised by shareholders in relation to the meeting agenda and the responses from the Board and/or Management, will be made available to shareholders upon their request within 14 days of such request after the general meeting.

COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	**Rule Description**	**Company's Compliance or Explanation**
712, 715 or 716	Appointment of Auditors	The Company confirms its compliance to the Catalist Rules 712 and 715.
1204(8)	Material Contracts	There were no material contracts entered into by the Group involving the interest of any Director, or controlling shareholder, which are either still subsisting at the end of FY2018 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of adequacy of internal controls	The Board and the AC are of the opinion that the internal controls are adequate to address the financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business scope and environment based on the following: • internal controls established by the Company; • works performed by the IA and EA; • assurance from the MD and FC; and • reviews done by the various Board Committees and key management personnel.
711A, 711B	Sustainability Reporting	The Company is working towards the issuance of its sustainability report by 31 March 2019 and such report will be made available to shareholders on the SGXNET and the Company's website.

CORPORATE GOVERNANCE REPORT

Catalist Rule	Rule Description	Company's Compliance or Explanation
1204(17)	Interested Persons Transaction ("IPT")	The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. There were no interested person transactions between the company or its subsidiaries and any of its interested persons in FY2018.
1204(19)	Dealing in Securities	The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information. The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short-term considerations and are prohibited from dealing in the Company's securities during the period beginning two weeks before the announcement of the Company's quarterly financial statements and one month before the announcement of the Company's full-year financial statements respectively, and ending on the date of the announcement of the relevant results.
1204(21)	Non-sponsor fees	In FY2018, the Company paid to its sponsor, PrimePartners Corporate Finance Pte. Ltd. non-sponsor fee of $119,000 in relation to the reverse takeover of Terratech Group Limited.

DIRECTORS' STATEMENT

The Directors present their statement to the members together with the audited consolidated financial statements of Tritech Group Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2018.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The Directors of the Company in office at the date of this statement are:

Professor Yong Kwet Yew
Dr Wang Xiaoning
Dr Cai Jungang
Dr Loh Chang Kaan (Appointed on 23 June 2017)
Aw Eng Hai

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement, whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following Directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of Director	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Tritech Group Limited				
Ordinary shares				
Professor Yong Kwet Yew	1,300,000	1,300,000	–	–
Dr Wang Xiaoning	120,673,628	120,673,628	–	–
Dr Cai Jungang(1)	62,301,805	62,301,805	100,000	100,000
Aw Eng Hai	1,765,000	1,765,000	–	–
Dr Loh Chang Kaan	41,704,114	41,704,114	–	–
Bonus warrants				
Professor Yong Kwet Yew	400,000	400,000	–	–
Dr Wang Xiaoning	46,886,677	46,886,677	–	–
Dr Cai Jungang	24,113,133	24,113,133	–	–
Aw Eng Hai	382,500	382,500	–	–
Dr Loh Chang Kaan	16,075,422	16,075,422	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2018.

(1) Pursuant to Section 7 of the Singapore Companies Act, Dr Cai Jungang is deemed to have an interest in the performance share awards and shares of the Company held by his spouse, Ms Bi Xiling, at the beginning and end of the financial year respectively.

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

PERFORMANCE SHARE AWARDS

The Company implemented an employee share award scheme known as the Tritech Group Performance Share Plan ("Share Plan") for the purpose of providing incentives and rewards to eligible employees and Directors of the Group, who contributed to the success of the Group's operations and the successful listing of Terratech Group Limited (now known as Capital World Limited). The Share Plan was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 28 July 2010. The Company's equity instruments granted to the employees and Directors are subject to approval in advance by the Board of Directors of the Company.

DIRECTORS' STATEMENT

PERFORMANCE SHARE AWARDS (Continued)

The Share Plan is administered by the Company's Remuneration Committee comprising Professor Yong Kwet Yew, Dr Loh Chang Kaan and Mr Aw Eng Hai.

The share awards are subject to certain vesting conditions and are convertible into the ordinary shares of the Company when vested.

The Share Plan applies to Group employees, Group Executive Directors and Group Non-Executive Directors (including Independent Directors). On 26 November 2014, the Company had conditionally made grants aggregating to 4,950,000 share awards to Directors and employees of the Group as follows:

Date of grant	Share price at grant date	Date of conversion	Balance as at 1 April 2016	Converted	Cancelled	Balance as at 31 March 2017
	$	$	$	$	$	
26.11.2014	0.143	28.07.2015	707,850	(693,550)	(14,300)	–

Details of movements in the share awards granted to the Directors and employees of the Company during the financial year are as follows:

	Number of share awards				
Name of participants	Balance at 1.4.2017	Aggregate share awards granted since commencement of Share Plan to end of financial year	Aggregate share awards converted since commencement of Share Plan to end of financial year	Aggregate share awards cancelled since commencement of Share Plan to end of financial year	Balance at 31.3.2018
Directors of the Company					
Professor Yong Kwet Yew	–	500,000	(500,000)	–	–
Dr Wang Xiaoning(1)	–	500,000	(500,000)	–	–
Dr Cai Jungang	–	500,000	(500,000)	–	–
Aw Eng Hai	–	1,000,000	(1,000,000)	–	–
Participants who received 5% or more of the total awards available					
Loh Chang Kaan	–	500,000	(500,000)	–	–
Mui Siew Yun	–	600,000	(600,000)	–	–
	–	4,100,000	(4,100,000)	–	–

(1) Participation of Dr Wang Xiaoning in the Share Plan has been approved by shareholders at an Extraordinary General Meeting of the Company held on 22 December 2014.

DIRECTORS' STATEMENT

PERFORMANCE SHARE AWARDS (Continued)

Since the commencement of the Share Plan till the end of the financial year:

- Other than the controlling shareholder mentioned above, no awards had been granted to the controlling shareholders of the Company and their associates;
- No participant other than the Directors and participants mentioned above has received 5% or more of the total awards available under the Share Plan;
- No awards that entitle the holder to participate by virtue of the awards, in any share issue of any other corporation have been granted; and
- No awards had been granted at a discount.

EMPLOYEE SHARE OPTION SCHEME

Share Option Scheme (the "Scheme")

The Scheme is administered by the Company's Remuneration Committee, comprising Professor Yong Kwet Yew, Mr Aw Eng Hai and Dr Loh Chang Kaan ("Committee").

There was no options granted by the Company under the Scheme during the financial year. There are no outstanding options under the Scheme as at the end of the financial year.

SHARE OPTIONS

During the financial year:

(i) No options have been granted by the Company to any person to take up unissued shares in the Company; and

(ii) No shares have been issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under share option.

DIRECTORS' STATEMENT

WARRANTS

On 31 March 2014, the Company issued 386,574,593 bonus warrants, each carrying the right to subscribe for one new ordinary share in the share capital of the Company at an exercise price of $0.20 for each new ordinary share, on the basis of one bonus warrant for every two existing ordinary shares held by shareholders of the Company. The warrants are exercisable during the period commencing on and including the date falling six months from the date of listing of the warrants on the Catalist and expiring on the date immediately preceding the fifth anniversary of the date of issue of the warrants. The warrants were listed and quoted on the Catalist and commenced trading on 2 April 2014.

The movements of warrants during the financial year were as follows:

Date of issue	Balance at 1.4.2017	Granted during the financial year	Exercised during the financial year	Expired during the financial year	Balance at 31.3.2018	Exercise price	Exercisable period
31.3.2014	386,574,593	–	–	–	386,574,593	$0.20	1.10.2014 to 30.9.2019

AUDIT COMMITTEE

The Audit Committee ("AC") comprises the following who are all non-executive and Independent Directors. The members of the AC during the financial year and at the date of this report are:

Aw Eng Hai (Chairman)
Professor Yong Kwet Yew
Dr Loh Chang Kaan

The AC performed the functions in accordance with section 201B(5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviews the audit plans of the internal and external auditors of the Group and the Company and reviews the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;

- Reviews the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;

- Reviews the adequacy and effectiveness of the Group's and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;

- Meets with the external auditor, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

DIRECTORS' STATEMENT

AUDIT COMMITTEE (Continued)

- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviews the cost effectiveness and the independence and objectivity of the external auditor;
- Reviews the nature and extent of non-audit services provided by the external auditor;
- Recommends to the Board of Directors the external auditor to be nominated, approves the compensation of the external auditor, and reviewing the scope and results of the audit;
- Reports actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate; and
- Reviews interested person transactions in accordance with the requirements of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The AC convened four meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Dr Wang Xiaoning
Director

Dr Cai Jungang
Director

Singapore
29 June 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRITECH GROUP LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tritech Group Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2018, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRITECH GROUP LIMITED

Key Audit Matters (Continued)

Accounting for contract work-in-progress for geotechnical and construction projects

The Group recognised contract revenue and contract cost for geotechnical and construction projects as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is determined based on the proportion of contract costs incurred for work performed up to the end of the reporting period over the estimated total contract costs. The accounting for such geotechnical and construction projects is subject to significant management judgement and estimation uncertainty in determining the costs to complete and the assessment of any settlement amounts of variation orders ("VO") claimable from end customers. These uncertainties are partly due to the nature of the operations, which may be impacted by the technological complexity of projects, the precision of cost estimation during the budgeting process and the actual progress of each project during the financial year. The uncertainties and subjectivity involved will affect the determination of contract revenue and contract costs, and hence may have a significant impact on the results of the Group. Accordingly, the accounting of contract work-in-progress for geotechnical and construction projects is identified as a key audit matter.

As part of our audit, we, amongst others:

- assessed management's assumptions in determining the estimations to revenue and cost by reviewing the contract terms and conditions of the geotechnical and construction projects and their contractual sums ("projects"), testing project revenues and costs incurred against underlying documents and assessing management's judgement in recognising variation orders from customers;

- reviewed the Group's correspondences with customers and subcontractors, and discussed the progress of the projects with project managers to identify any potential disputes, variation order claims, known technical issues or significant events that could impact the estimated total contract costs. We also analysed changes in the estimation of costs and profits from prior periods and inquired management on the reasons;

- assessed management's determination of the percentage of completion of the projects and performed re-computation to check the mathematical accuracy; and

- reviewed the budgeted costs by checking the actual costs incurred to-date and assessed the reasonableness of the remaining costs to be incurred to complete the projects. We evaluated management's estimates of the forecasted results of the projects, taking into consideration the effect of variation orders, contingencies and any known technical issues. For a sample of ongoing projects, we evaluated management's assessment of foreseeable losses of the projects.

The Group's disclosures relating to amounts due from/(to) contract customers are included in Note 18 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRITECH GROUP LIMITED

Key Audit Matters (Continued)

Impairment of property, plant and equipment (excluding leasehold properties), investment in subsidiaries and amounts due from subsidiaries

During the financial year ended 31 March 2018, the Group performed impairment assessment on its property, plant and equipment (excluding leasehold properties) of $24,926,926 due to indicators of impairment noted. Management also performed impairment assessment on the Company's investment in subsidiaries as well as amounts due from these subsidiaries. The total carrying amount of the Company's investment in subsidiaries and amounts due from subsidiaries amounted to $70,256,606 and $23,229,231 respectively, and represented a total of 94% of the Company's total assets.

We considered the audit of management's impairment assessment of these assets to be a key audit matter due to the magnitude of the amounts recognised in the financial statements. In addition, the assessment process involved significant management judgement and was based on assumptions that incorporate future market and economic conditions.

As part of our audit, we discussed with management on the identification of impairment indicators. Where indicators exist, we evaluated management's impairment assessment, including its estimates of the recoverable amounts as determined based on the higher of the assets' fair value less costs of disposal and their value-in-use.

When the recoverable amount was based on value-in-use calculation, we reviewed the process by which they were drawn up and tested the reasonableness of the underlying value-in-use calculations by:

- comparing management's previous forecasts with actual results;
- comparing the key assumptions used such as growth rates to historical results, economic and industry forecasts, and discount rate to cost of capital for the subsidiaries and peer companies; and
- assessed sensitivity analysis around the key drivers of the growth rates used in the cash flow forecasts, including revenue growth and expected changes in margins, and the likelihood of the extent of change in those assumptions that either individually or collectively would be required for the assets to be impaired.

When the recoverable amount was based on fair value less cost to sell, and management used external professional valuer to support the determination of the fair value less cost to sell, we:

- evaluated the objectivity, competence and capabilities of the external valuer engaged;
- reviewed their valuation report, including the appropriateness of the valuation method used, as well as reasonableness of data used by management and external valuer in the valuation process; and
- engaged our internal valuation specialist to assist us in our work.

Furthermore, we assessed the adequacy of the disclosures relating to property, plant and equipment, investments in subsidiaries and amounts due from subsidiaries in Notes 10, 11 and 17 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRITECH GROUP LIMITED

Key Audit Matters (Continued)

Revaluation of leasehold properties

As of 31 March 2018, the Group's leasehold properties amounted to $26,534,318. During the year, the Group obtained independent external valuation reports to support the determination of the fair value of its individual leasehold properties. The external professional valuers valued the properties based on the direct comparison and cost replacement approaches. The valuations of these assets were significant to our audit due to their magnitude and dependence on a range of estimates (amongst others, market price per square metre) made by management and the external professional valuers. As such, we determined that this is a key audit matter.

As part of our audit, we:

- considered the objectivity, independence and expertise of the external professional valuers;
- discussed with the external professional valuers to obtain an understanding of their valuation techniques and assumptions used;
- assessed the appropriateness of the valuation model, property related data and estimates used by the external professional valuers by comparing to the current economic and industry climate, available trade published data, and the specific nature and uses of these properties; and
- involved our internal real estate and valuation specialists to assist us in validating the appropriateness of the data used by management and external professional valuers in the valuation process.

Furthermore, we assessed the adequacy of the disclosures in Note 3.2(d) and 35 to the financial statements relating to the assumptions, given the estimation uncertainty and sensitivity of the valuations.

Allowance for inventory obsolescence

As of 31 March 2018, the net carrying amount of the Group's total inventories amounted to $1,907,460, net of allowance for slow moving inventories of $3,040,921. We focused on this area as the carrying amounts of the gross inventories and allowance for slow moving inventories are material to the Group's financial statements, with the determination of the allowance involving significant management judgment as the sales of these products are subject to uncertain demand from the customers. As such, we have identified allowance for inventory obsolescence to be a key audit matter.

As part of our audit, we:

- attended and observed management's inventory counts at material inventory locations which included the process of identifying damaged and obsolete inventories;
- evaluated the assessment made by management with respect to slow moving and obsolete inventories, and their analysis of expected demand and net realisable value of the inventories; and
- assessed the reasonableness of the inventories allowance by comparing to the product life cycle, historical trading patterns of the Group's inventories, along with the related margins achieved.

The Group's disclosures relating to inventory are included in Note 16 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRITECH GROUP LIMITED

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRITECH GROUP LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRITECH GROUP LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ang Chuen Beng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

29 June 2018

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	Group 2018 $	Group 2017 $
Continuing operations			
Revenue	4	**64,942,153**	60,962,502
Cost of sales		**(57,418,814)**	(48,096,433)
Gross profit		**7,523,339**	12,866,069
Other income	5	**1,039,242**	1,006,418
Distribution costs		**(1,043,690)**	(1,234,578)
Administrative costs		**(13,340,871)**	(14,314,359)
Other operating costs		**(11,332,088)**	(6,470,889)
Finance costs	6	**(3,907,499)**	(3,912,045)
Share of results of associate	12	**(309)**	–
Loss before taxation	7	**(21,061,876)**	(12,059,384)
Income tax credit	8	**229,653**	345,970
Loss from continuing operations, net of income tax		**(20,832,223)**	(11,713,414)
Discontinued operation			
Gain on disposal of 52.24% economic interest in a subsidiary		**11,134,548**	–
Loss from discontinued operation, net of income tax		**(1,761,210)**	(6,428,366)
Loss for the year		**(11,458,885)**	(18,141,780)
Loss attributable to:			
Owners of the Company			
Loss from continuing operations		**(20,884,590)**	(9,178,830)
Gain/(loss) from discontinued operation		**10,183,363**	(6,290,807)
Loss for the year attributable to owners of the Company		**(10,701,227)**	(15,469,637)
Non-controlling interests			
Loss from continuing operations		**52,366**	22,596
Loss from discontinued operation		**(810,024)**	(2,694,739)
Loss for the year attributable to non-controlling interests		**(757,658)**	(2,672,143)
Loss for the year		**(11,458,885)**	(18,141,780)
Loss per share from continuing operations attributable to owners of the Company (cents)			
Basic	9	**(2.31)**	(1.10)
Diluted	9	**(2.31)**	(1.10)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Group	
	2018	**2017**
	$	**$**
Loss for the year	**(11,458,885)**	(18,141,780)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Net deficit on revaluation of leasehold properties	**(870,875)**	(1,842,236)
Exchange differences realised on disposal of investment in a subsidiary reclassified to profit or loss	**(357,494)**	–
Exchange differences arising from translation of foreign operations	**35,362**	(257,861)
Other comprehensive income for the year, net of tax	**(1,193,007)**	(2,100,097)
Total comprehensive income for the year	**(12,651,892)**	(20,241,877)
Total comprehensive income attributable to:		
Owners of the Company	**(11,590,038)**	(17,302,227)
Non-controlling interests	**(1,061,854)**	(2,939,650)
Total comprehensive income for the year	**(12,651,892)**	(20,241,877)
Total comprehensive income attributable to:		
Owners of the Company from continuing operations, net of tax	**(20,934,985)**	(10,658,643)
Owners of the Company from discontinued operation, net of tax	**9,344,947**	(6,643,584)
Total comprehensive income for the year attributable to owner of the Company	**(11,590,038)**	(17,302,227)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 MARCH 2018

	Note	Group 2018 $	Group 2017 $	Company 2018 $	Company 2017 $
Non-current assets					
Property, plant and equipment	10	**51,461,244**	55,668,225	**1,600,640**	1,601,188
Investments in subsidiaries	11	**–**	–	**70,256,606**	57,486,396
Investment in associate	12	**624,600**	–	**–**	–
Land use rights	13	**2,551,643**	2,536,119	**–**	–
Intangible assets	14	**1,517,453**	1,682,778	**–**	–
		56,154,940	59,887,122	**71,857,246**	59,087,584
Current assets					
Inventories	16	**1,907,460**	3,674,816	**–**	–
Trade and other receivables	17	**12,546,145**	9,936,009	**23,585,483**	19,891,071
Amounts due from contract customers	18	**44,406,733**	53,275,028	**–**	–
Tax recoverable		**3,159**	25,743	**–**	–
Prepayments	15	**2,641,326**	1,852,339	**155,240**	37,865
Investment securities	19	**1,810,087**	–	**1,810,087**	–
Cash and short-term deposits	20	**8,149,454**	9,054,258	**1,935,984**	2,532,447
		71,464,364	77,818,193	**27,486,794**	22,461,383
Assets of disposal group classified as held for sale	29	**–**	29,932,555	**–**	19,424,717
		71,464,364	107,750,748	**27,486,794**	41,886,100
Current liabilities					
Trade and other payables	21	**33,645,462**	36,951,474	**5,523,068**	5,002,764
Amounts due to contract customers	18	**4,623,601**	3,826,396	**–**	–
Bank borrowings	22	**21,949,051**	19,698,388	**4,144,412**	4,706,113
Loans from shareholders	23	**3,930,013**	4,549,270	**2,320,000**	3,020,000
Finance lease payables	24	**1,559,313**	3,063,386	**–**	–
Derivative component of convertible loans	25	**–**	14,000	**–**	14,000
Liability component of convertible loans	25	**–**	9,033,895	**–**	9,033,895
Provision for taxation		**615,486**	598,694	**170,517**	170,517
		66,322,926	77,735,503	**12,157,997**	21,947,289
Liabilities directly associated with disposal group classified as held for sale	29	**–**	12,509,464	**–**	–
		66,322,926	90,244,967	**12,157,997**	21,947,289
Net current assets		**5,141,438**	17,505,781	**15,328,797**	19,938,811
Non-current liabilities					
Bank borrowings	22	**369,742**	1,315,166	**310,998**	1,231,833
Finance lease payables	24	**955,498**	2,236,007	**–**	–
Liability component of convertible loans	25	**3,326,014**	–	**3,326,014**	–
Deferred tax liabilities	26	**2,101,709**	2,553,961	**347,158**	402,985
		6,752,963	6,105,134	**3,984,170**	1,634,818
Net assets		**54,543,415**	71,287,769	**83,201,873**	77,391,577
Equity attributable to owners of the Company					
Share capital	27	**77,653,368**	75,637,158	**77,653,368**	75,637,158
Reserves	28	**(23,488,389)**	32,272,279	**5,548,505**	1,754,419
Reserves of disposal group classified as held for sale	29	**–**	(44,834,630)	**–**	–
		54,164,979	63,074,807	**83,201,873**	77,391,577
Non-controlling interests		**378,436**	331,468	**–**	–
Non-controlling interests of disposal group classified as held for sale	29	**–**	7,881,494	**–**	–
Total equity		**54,543,415**	71,287,769	**83,201,873**	77,391,577

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2018 Group	Attributable to owners of the Company Share capital (Note 27) $	Equity component of convertible loans (Note 25) $	Gains on disposals to non-controlling interests (Note 28) $	Asset revaluation reserve (Note 28) $	Foreign currency translation reserve (Note 28) $	Accumulated losses (Note 28) $	Accumulated losses of disposal group classified as held for sale (Note 29) $	Equity attributable to the owners of the Company $	Non-controlling interests $	Non-controlling interests of disposal group classified as held for sale (Note 29) $	Total equity $
At 1 April 2017	75,637,158	2,108,300	34,951,514	9,269,316	437,224	(14,494,075)	(44,834,630)	63,074,807	331,468	7,881,494	71,287,769
(Loss)/gain for the year	–	–	–	–	–	(20,884,590)	10,183,363	(10,701,227)	52,366	(810,024)	(11,458,885)
Other comprehensive income											
Net deficit on revaluation of leasehold properties	–	–	–	(870,875)	–	–	–	(870,875)	–	–	(870,875)
Exchange differences realised on disposal of investment in a subsidiary reclassified to profit or loss	–	–	–	–	(357,494)	–	–	(357,494)	–	–	(357,494)
Exchange differences arising from translation of foreign operations	–	–	–	–	339,558	–	–	339,558	(5,398)	(298,798)	35,362
Total comprehensive income for the year	–	–	–	(870,875)	(17,936)	(20,884,590)	10,183,363	(11,590,038)	46,968	(1,108,822)	(12,651,892)
Contributions by and distributions to owners											
Disposals of 52.24% economic interest in a subsidiary	–	–	–	–	–	(34,651,267)	34,651,267	–	–	(6,772,672)	(6,772,672)
Issuance of convertible loan	–	664,000	–	–	–	–	–	664,000	–	–	664,000
Issuance of ordinary shares upon new shares placement	2,016,210	–	–	–	–	–	–	2,016,210	–	–	2,016,210
Total contributions by and distributions to owners	2,016,210	664,000	–	–	–	(34,651,267)	34,651,267	2,680,210	–	(6,772,672)	(4,092,462)
At 31 March 2018	77,653,368	2,772,300	34,951,514	8,398,441	419,288	(70,029,932)	–	54,164,979	378,436	–	54,543,415

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2017 Group	Share capital (Note 27) $	Equity component of convertible loans (Note 25) $	Gains on disposals to non-controlling interests (Note 28) $	Asset revaluation reserve (Note 28) $	Foreign currency translation reserve (Note 28) $	Accumulated losses (Note 28) $	Accumulated losses of disposal group classified as held for sale (Note 29) $	Equity attributable to the owners of the Company $	Non-controlling interests $	Non-controlling interests of disposal group classified as held for sale (Note 29) $	Total equity $
	Attributable to owners of the Company										
At 1 April 2016	69,866,463	2,108,300	34,951,514	11,111,552	397,630	(43,829,120)	–	74,606,339	8,378,361	–	82,984,700
Loss for the year	–	–	–	–	–	(15,469,637)	–	(15,469,637)	(2,672,143)	–	(18,141,780)
Other comprehensive income											
Net deficit on revaluation of leasehold properties	–	–	–	(1,842,236)	–	–	–	(1,842,236)	–	–	(1,842,236)
Exchange differences arising from translation of foreign operations	–	–	–	–	9,646	–	–	9,646	(267,507)	–	(257,861)
Total comprehensive income for the year	–	–	–	(1,842,236)	9,646	(15,469,637)	–	(17,302,227)	(2,939,650)	–	(20,241,877)
Contributions by and distributions to owners											
Issuance of placement shares by a subsidiary to non-controlling interests	–	–	–	–	–	–	–	–	2,774,251	–	2,774,251
Issuance of new shares through loan capitalisation	5,770,695	–	–	–	–	–	–	5,770,695	–	–	5,770,695
Reserve and non-controlling interests attributable to disposal group classified as held for sale	–	–	–	–	29,948	44,804,682	(44,834,630)	–	(7,881,494)	7,881,494	–
Total contributions by and distributions to owners	5,770,695	–	–	–	29,948	44,804,682	(44,834,630)	5,770,695	(5,107,243)	7,881,494	8,544,946
At 31 March 2017	75,637,158	2,108,300	34,951,514	9,269,316	437,224	(14,494,075)	(44,834,630)	63,074,807	331,468	7,881,494	71,287,769

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2018 Company	**Share capital (Note 27) $**	**Equity component of convertible loans (Note 25) $**	**Asset revaluation reserve (Note 28) $**	**Accumulated profits/(losses) (Note 28) $**	**Total equity $**
At 1 April 2017	**75,637,158**	**2,108,300**	**952,969**	**(1,306,850)**	**77,391,577**
Profits, representing total comprehensive income, for the year	–	–	–	**3,087,541**	**3,087,541**
Contributions by and distributions to owners					
Net gain on revaluation of leasehold properties	–	–	**42,545**	–	**42,545**
Issuance of convertible loan	–	**664,000**	–	–	**664,000**
Issuance of ordinary shares upon new shares placement	**2,016,210**	–	–	–	**2,016,210**
Total contributions by and distributions to owners	**2,016,210**	**664,000**	**42,545**	–	**2,722,755**
At 31 March 2018	**77,653,368**	**2,772,300**	**995,514**	**1,780,691**	**83,201,873**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2017 Company	**Share capital (Note 27) $**	**Equity component of convertible loans (Note 25) $**	**Asset revaluation reserve (Note 28) $**	**Accumulated profits/(losses) (Note 28) $**	**Total equity $**
At 1 April 2016	69,866,463	2,108,300	925,669	2,374,612	75,275,044
Loss, representing total comprehensive income, for the year	–	–	–	(3,681,462)	(3,681,462)
Contributions by and distributions to owners					
Net deficit on revaluation of leasehold properties	–	–	27,300	–	27,300
Issuance of new shares through loan capitalisation	5,770,695	–	–	–	5,770,695
Total contributions by and distributions to owners	5,770,695	–	27,300	–	5,797,995
At 31 March 2017	75,637,158	2,108,300	952,969	(1,306,850)	77,391,577

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018 $	2017 $
Cash flows from operating activities			
Loss before tax from continuing operations		**(21,061,876)**	(12,059,384)
Gain/(loss) before tax from discontinued operation		**9,415,477**	(6,218,805)
Loss before taxation, total		**(11,646,399)**	(18,278,189)
Adjustments for:			
Amortisation of intangible assets	14	**167,866**	244,774
Amortisation of mining rights		**15,367**	184,408
Amortisation of land use rights	13	**57,142**	57,394
Write down of inventories	7	**1,652,325**	2,079,742
Impairment loss on intangible assets	14	**–**	179,418
Impairment loss on plant and equipment	10	**–**	373,984
Impairment loss on trade receivables	17	**186,208**	319,265
Depreciation of property, plant and equipment	10	**4,586,529**	5,606,094
Fair value gain on derivative component of convertible loans	25	**–**	(90,000)
Fair value loss on investment securities	7	**5,909,699**	–
Net gain on disposal of plant and equipment		**(93,255)**	(226,250)
Gain on disposal of investment in subsidiary		**(11,134,548)**	–
Interest income		**(22,318)**	(20,898)
Interest expense – convertible loan	6	**1,867,649**	2,351,402
Interest expense		**2,043,929**	1,576,860
Provision for foreseeable losses		**118,067**	–
Write-off of plant and equipment	7	**37,286**	63,835
Reversal of impairment loss on other receivables		**–**	(60,157)
Share of results of associate		**309**	–
Operating cash flows before working capital changes		**(6,254,144)**	(5,638,318)
(Increase)/decrease in:			
Inventories		**21,849**	(2,251,668)
Trade and other receivables		**(2,448,268)**	(1,020,690)
Amount due from contract customers		**8,908,544**	(7,834,846)
Prepayments		**(955,163)**	857,663
(Decrease)/increase in:			
Trade and other payables		**(1,899,428)**	12,272,643
Amount due to contract customers		**803,514**	798,952
Cash used in operations		**(1,823,096)**	(2,816,264)
Income taxes (paid)/refund		**(119,387)**	135,459
Interest received		**22,318**	20,898
Net cash used in operating activities		**(1,920,165)**	(2,659,907)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018 $	2017 $
Cash flows from investing activities			
Loss of control in subsidiaries (net of cash disposed of)		**(1,397,352)**	–
Purchase of plant and equipment	10	**(651,879)**	(4,349,802)
Proceeds from disposal of investment securities		**3,410,020**	–
Proceeds from disposal of plant and equipment		**157,859**	449,910
Net cash generated from/(used in) investing activities		**1,518,648**	(3,899,892)
Cash flows from financing activities			
Decrease in short-term deposits pledged		**1,102,650**	888,515
Proceeds from bank borrowings		**15,962,850**	13,455,217
Proceeds from issuance of convertible loan		**3,760,000**	–
Loans from shareholders		**590,743**	3,800,802
Repayments of bank borrowings		**(14,349,618)**	(10,455,502)
Repayments of finance lease obligations		**(2,784,496)**	(3,211,058)
Repayments of convertible loan		**(2,500,000)**	–
Repayments of convertible loan interests		**(250,000)**	(1,000,000)
Repayments of shareholders' loans		**(1,210,000)**	(150,000)
Proceeds from issuance of placement shares		**2,016,210**	–
Proceeds from issuance of subsidiary's placement shares		**–**	2,774,250
Interest paid		**(2,043,929)**	(1,576,860)
Net cash generated from financing activities		**294,410**	4,525,364
Net change in cash and cash equivalents		**(107,107)**	(2,034,435)
Cash and cash equivalents at beginning of financial year		**3,944,845**	5,261,857
Currency translation differences		**(327,017)**	717,423
Cash and cash equivalents at end of financial year (Note 20)		**3,510,721**	3,944,845

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

1. CORPORATE INFORMATION

Tritech Group Limited (the "Company") is a limited liability company, which is incorporated and domiciled in Singapore and is listed on the Catalist board of the SGX-ST.

The registered office and principal place of business of the Company is located at 2 Kaki Bukit Place, #07-00 Tritech Building, Singapore 416180.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("SGD" or "$") except when otherwise indicated.

Convergence with International Financial Reporting Standards

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International) ("SRS(I)"), a new financial reporting framework identical to International Financial Reporting Standards. The Group will adopt SFRS(I) on 1 April 2018.

The Group has performed an assessment of the impact of adopting SFRS(I). Other than the impact on adoption of the SFRS(I) 15 and SFRS(I) 9, the Group expects that adoption of SFRS(I) will have no material impact on the financial statements in the year of initial application. The Group expects the impact of adopting SFRS(I) 15 and SFRS(I) 9 will be similar to the impact on adoption of FRS 115 and FRS 109 as disclosed in Note 2.3.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards that are effective for annual financial periods beginning on or after 1 April 2017. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 102 *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to FRS 40 *Transfers of Investment Property*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 116 *Leases*	1 January 2019
Improvements to FRSs (December 2016)	1 January 2018
– Amendments to FRS 28 *Investments in Associates and Joint Ventures*	
INT FRS 122 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
INT FRS 123 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to FRS 28 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Improvements to FRSs (March 2018)	
– Amendments to FRS 103 *Business Combinations*	1 January 2019
– Amendments to FRS 111 *Joint Arrangements*	1 January 2019
– Amendments to FRS 12 *Income Taxes*	1 January 2019
– Amendments to FRS 23 *Borrowing Costs*	1 January 2019
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

As disclosed in Note 2.1, the Group will adopt SFRS(I) on 1 April 2018. Upon adoption of SFRS(I) on 1 April 2018, the SFRS(I) equivalent of the above standards that are effective on 1 April 2018 will be adopted at the same time.

Except for SFRS(I) 16, the directors expect that the adoption of the SFRS(I) equivalent of the above standards will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 9, SFRS(I) 15 and SFRS(I) 16 are described below.

SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

2.3 **Standards issued but not yet effective** (Continued)

SFRS(I) 9 *Financial Instruments* (Continued)

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Group has performed a preliminary impact assessment of adopting SFRS(I) 9 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts SFRS(I) 9 in 2018.

(a) Classification and measurement

For quoted equity securities, the Group will continue to measure its currently held-for-trading equity securities at fair value though profit or loss ("FVTPL"). The Group does not expect any significant impact arising from these changes.

(b) Impairment

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the Group does not expect a significant impact on its equity due to nature of its loans and receivables, but it will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact.

SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers and introduces new contract cost guidance. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled to in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group has performed a preliminary assessment of adopting SFRS(I) 15 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 15 in 2018. The Group expects that the adoption of SFRS(I) 15 will have no material impact on the various segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

2.3 Standards issued but not yet effective (Continued)

SFRS(I) 16 *Leases*

SFRS(I) 16 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for leases – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date.

2.4 Foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in the equity. The foreign currency translation reserve is reclassified from equity to profit or loss on disposal of the foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency (Continued)

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.5 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.6 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

2.6 **Basis of consolidation and business combinations** (Continued)

(a) **Basis of consolidation** (Continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

– de-recognises the carrying amount of any non-controlling interest;

– de-recognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss; and

– reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or accumulated profits, as appropriate.

(b) **Business combinations and goodwill**

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Basis of consolidation and business combinations (Continued)

(b) Business combinations and goodwill (Continued)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.7 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than leasehold properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Property, plant and equipment (Continued)

Leasehold properties are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the leasehold properties at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to accumulated profits on retirement or disposal of the asset.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold properties	–	Over lease terms of 37 – 67 years
Motor vehicles	–	5 – 6 years
Furniture, fittings and fixtures	–	5 – 10 years
Machinery, instrumentation and tools	–	4 – 20 years
Office equipment	–	3 – 10 years
Renovation	–	5 – 10 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation. The land use rights are amortised on a straight-line basis over the lease term of 50 years.

2.10 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(a) *Club memberships*

Transferable individual club memberships are initially recognised at cost and are subsequently measured at cost less accumulated impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Intangible assets (Continued)

(b) *Research and development costs*

Research costs are expensed as incurred. Deferred development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Following initial recognition of the deferred development expenditures as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Deferred development expenditures have a finite useful life and are amortised over the period of expected sales from the related project of 10 years on a straight line basis.

(c) *Intangible assets acquired separately*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets acquired separately are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets acquired separately relate to customer relationships, customer contracts, intellectual property right, software and trademark and are amortised on a straight-line method over their estimated useful lives as follows:

Customer relationships	–	10 years
Customer contracts	–	3 years
Intellectual property right	–	20 years
Software	–	7 years
Trademark	–	7 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

– Raw materials: purchase costs on a first-in first-out basis.

– Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control of those policies.

The Group accounts for its investment in an associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in an associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the share of results of the operations of the associate. Distributions received from the associate reduces the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in an associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate is prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss exclude exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Financial instruments (Continued)

(a) Financial assets (Continued)

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Convertible loans

Convertible loans are separated into liability, derivative and equity components based on the terms of the contract.

On issuance of the convertible loans, the fair value of the liability component is determined using a market rate for an equivalent non-convertible loan. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption in accordance with the accounting policy set out in Note 2.14.

If the conversion option of convertible loans and/or its interests exhibits characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the convertible loans is measured at fair value and presented as a derivative financial instrument.

Any excess of proceeds over the amounts initially recognised as the derivative and liability components is recognised as the equity component of the convertible loans (net of transaction costs) and included in shareholders' equity. The carrying amount of the equity component is not remeasured in subsequent years.

Transaction costs are apportioned between the liability, derivative and equity components of the convertible loans based on the allocation of proceeds to the liability, derivative and equity components when the instruments are initially recognised.

The portions of the transaction costs relating to the liability and equity components are recognised initially as part of the liability and equity. The portion relating to the derivative component is recognised immediately in the profit or loss.

2.16 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Impairment of financial assets (Continued)

Financial assets carried at amortised cost (Continued)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values. These also include bank overdrafts that form an integral part of the Group's cash management.

2.18 Construction contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method), when the outcome of a construction contract can be estimated reliably.

When the outcome of a construction contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Construction contracts (Continued)

An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue (as defined below) multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date and the estimated costs to complete.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that related directly to a specific contract comprise: site labour costs (including site supervision); cost of materials used in construction; depreciation of equipment used on the contract; cost of designs and technical assistance that is directly related to the contract.

2.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.20 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Financial guarantee (Continued)

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in the profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.21 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits (Continued)

(c) Employee share award plans

Employees of the Group receive remuneration in the form of share awards as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the awards at the date on which the awards are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share award reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The employee share award reserve is transferred to accumulated profits upon expiry of the share award, and is transferred to share capital if new shares are issued.

2.23 Share-based payments to suppliers of services (other than employees)

Suppliers of services received payments from the Group in the form of shares in the share capital of the Company or its subsidiaries as consideration for services rendered. The cost of the equity-settled share-based payment transactions is measured by reference to the fair value of the shares at the grant date and is recognised in profit or loss with a corresponding increase in share capital of the Company or non-controlling interest in the subsidiaries.

2.24 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Leases (Continued)

(a) As lessee (Continued)

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.26(d). Contingent rents are recognised as revenue in the period in which they are earned.

2.25 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. A component of the Group is classified as a ‘discontinued operation’ when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) Contract revenue

Revenue from contract services is recognised by reference to the stage of completion when it can be measured reliably. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract.

Where the outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(b) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(c) Rendering of services

Revenue from the installation and monitoring of equipment is recognised by reference to the stage of completion at the end of the reporting period. Stage of completion is determined by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

(d) Rental income

Rental income under operating leases is recognised on a straight-line basis over the term of the leases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue (Continued)

(e) Interest income

Interest income is recognised using the effective interest method.

(f) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2.27 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.28 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.28 Taxes (Continued)

(b) Deferred tax (Continued)

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

2.28 Taxes (Continued)

(b) Deferred tax (Continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.29 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.30 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 Contingencies (Continued)

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Taxes

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Geotechnical and construction contracts

The Group recognises contract revenue based on the stage of completion method. The stage of completion is determined based on the cost incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

Significant estimate is required in determining the stage of completion, as well as the estimated total contract costs. In making the estimate, the Group evaluates the stage of completion and the estimated total costs by relying on past experience and the work of the project engineers.

The carrying amounts of assets and liabilities arising from geotechnical and construction contracts at the end of each reporting period are disclosed in Note 18. If the estimated total contract costs had been 1% higher than management estimate, the carrying amount of the assets and liabilities arising from geotechnical and construction contracts would have been $3,179,256 (2017: $4,241,467) lower and $498,130 (2017: $688,030) higher respectively.

(b) Allowances for inventories

A review is made at the end of the reporting period on inventory for obsolete and slowing inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. In any case the realisable value represents the best estimate of the recoverable amount and is based on the objective evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories based on the objective evidence available at the end of the reporting. The carrying amount of the inventories is disclosed in Note 16 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(c) Impairment of property, plant and equipment (excluding leasehold properties)

As disclosed in Note 10 to the financial statements, the recoverable amounts are determined based on the higher of the assets' fair value less costs of disposal and their value-in-use. The Group engaged external professional valuer to support the determination of the fair value less cost to sell. The fair values of property, plant and equipment are determined by independent valuation experts using recognised valuation techniques. The value in use calculations are based on a discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The carrying amount of the property, plant and equipment (excluding leasehold properties) as at 31 March 2018 is $24,926,926 (2017: $28,041,313).

(d) Revaluation of leasehold properties

The Group carries its leasehold properties at fair value, with changes in fair value being recognised in other comprehensive income. The fair values of the leasehold properties are determined by independent real estate valuation experts/directors, using market comparable approach and cost replacement approach. The determination of the fair values of the leasehold properties requires the use of estimates on adjustments such as location, size, tenure, age and condition. In relying on the valuation reports, management has exercised its judgment to ensure that the valuation methods and estimates are reflective of local market conditions existing at the end of each reporting date.

The carrying amount of leasehold properties and the key assumptions used to determine the fair values of the leasehold properties are disclosed in Note 35 to the financial statements.

4. REVENUE

	Group	
	2018	**2017**
	$	**$**
Contract revenue	**61,889,634**	59,334,201
Sales of goods	**1,941,460**	1,155,374
Services rendered	**1,111,059**	472,927
	64,942,153	60,962,502

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

5. OTHER INCOME

	Group	
	2018	2017
	$	$
Compensation claims	**25,760**	75,056
Fair value gain on derivative component of convertible loans	**–**	90,000
Gain on disposal of plant and equipment	**93,841**	241,627
Government grants	**520,975**	284,379
Interest income	**22,318**	20,359
Rental income	**146,379**	156,376
Sundry income	**229,969**	90,059
Write back of impairment losses of trade receivables	**–**	48,562
	1,039,242	1,006,418

6. FINANCE COSTS

	Group	
	2018	2017
	$	$
Interests on:		
– Bank overdraft	**146,134**	150,492
– Convertible loans (Note 25)	**1,867,649**	2,351,402
– Finance leases	**175,796**	274,034
– Term loans	**1,159,681**	794,755
– Fixed advance facility loan	**264,842**	165,590
– Loans from shareholders	**273,602**	155,280
– Mortgage loan	**19,795**	20,492
	3,907,499	3,912,045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

7. LOSS BEFORE TAXATION

The following items have been included in arriving at loss before taxation:

	Group	
	2018	**2017**
	$	**$**
Continuing operations		
Amortisation of intangible assets	**167,866**	244,774
Amortisation of land use rights	**57,142**	57,394
Audit fees to auditors of the Company		
Recurring		
– Auditor of the Company	**175,000**	227,300
– Other auditor of the Company	**167,679**	102,993
Non-audit fees to auditors of the Company	**53,185**	40,000
Cost of inventories	**13,873,708**	12,797,737
Depreciation of property, plant and equipment	**4,532,173**	4,943,331
Employee benefits expense	**32,455,528**	32,777,082
Fair value loss on investment securities	**5,909,699**	–
Foreign exchange loss, net	**618,533**	528,639
Impairment loss on intangible assets	–	179,418
Impairment loss on plant and equipment	–	373,984
Impairment losses on trade receivables (Note 17)	**186,208**	250,382
Loss on disposal of plant and equipment	**586**	15,377
Operating lease expenses	**2,315,746**	2,249,831
Professional fees	**698,027**	528,487
Provision for foreseeable losses	**118,067**	–
Subcontractor costs	**13,578,990**	5,883,255
Upkeep of motor vehicles	**514,602**	447,641
Write down of inventories	**1,652,325**	1,388,596
Write-off of plant and equipment	–	9,182
Discontinued operation		
Audit fees to auditors of the Company		
Recurring		
– Auditor of the Company	**19,665**	103,364
Non-audit fees to auditors of the Company		
Recurring		
– Tax returns compliance services	**542**	13,000
Non recurring		
– RTO expenses	–	500,000
Amortisation of mining rights	–	184,408
Depreciation of property, plant and equipment	–	662,763
Employee benefits expense	**120,580**	1,395,753
Foreign exchange loss, net	–	33,375
Impairment losses on trade receivables (Note 17)	–	68,883
Operating lease expenses	**46**	137,953
Professional fees	–	8,790
RTO expenses	–	1,470,232
Write down of inventories	–	691,146
Write-off of plant and equipment	**37,286**	54,653

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

7. **LOSS BEFORE TAXATION** (Continued)

Employee benefits expense comprise the following:

	Group	
	2018	**2017**
	$	**$**
Employee benefits expense:		
– salaries, bonuses and other benefits	**27,691,887**	28,792,886
– contributions to defined contribution plans	**4,884,221**	5,379,949
	32,576,108	34,172,835

8. **INCOME TAX CREDIT**

Major components of income tax credit

The major components of income tax credit for the financial years ended 31 March 2018 and 2017 are:

	Group	
	2018	**2017**
	$	**$**
Consolidated income statement:		
Attributable to continuing operations		
Current income tax:		
– Current income taxation	**100**	506
– Over/(under) provision in respect of previous years	**45,285**	(135,318)
	45,385	(134,812)
Deferred income tax:		
– Origination and reversal of temporary differences	**(275,038)**	(343,153)
– Overprovision in respect of previous years	**–**	131,995
	(275,038)	(211,158)
Income tax credit attributable to continuing operations	**(229,653)**	(345,970)
Income tax expense attributable to discontinued operations (Note 29)	**42,139**	209,561
Income tax credit recognised in profit or loss	**(187,514)**	(136,409)

	Group	
	2018	**2017**
	$	**$**
Consolidated statement of comprehensive income:		
Deferred tax expense related to other comprehensive income:		
– Net surplus on revaluation of leasehold properties	**416,078**	839,096

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

8. INCOME TAX CREDIT (Continued)

Domestic income tax is calculated at 17% (2017: 17%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions. The taxable profits of the Group's subsidiaries in the People's Republic of China ("PRC") and Malaysia are subject to corporate income tax of 25% (2017: 25%) and 24% (2017: 24%) respectively.

Relationship between income tax credit and accounting loss

The reconciliation between income tax credit and the product of accounting loss multiplied by the applicable corporate tax rates for the financial years ended 31 March 2018 and 2017 are as follows:

	Group	
	2018	**2017**
	$	**$**
Loss before taxation from continuing operations	**(21,061,876)**	(12,059,384)
Profit/(loss) before taxation from discontinued operation	**9,415,477**	(6,218,805)
	(11,646,399)	(18,278,189)
Tax at Singapore statutory tax rate of 17% (2017: 17%)	**(1,979,888)**	(3,107,292)
Adjustments:		
Effect of different tax rates of overseas operations	**(459,650)**	(484,897)
Non-deductible expenses	**582,693**	694,815
Income not subject to taxation	**(530,860)**	(48,029)
Effect of partial tax exemption	**(25,734)**	–
(Over)/under provision in respect of prior financial years	**(45,285)**	155,656
Deferred tax assets not recognised	**2,220,266**	2,737,088
Tax incentive under Productivity and Innovation Credit	**(54,262)**	(168,337)
Others	**105,206**	84,587
Income tax credit recognised in profit or loss	**(187,514)**	(136,409)

The unutilised tax losses and unabsorbed capital allowances are as follows:

	Group	
	2018	**2017**
	$	**$**
Unutilised tax losses		
– Continuing operations	**44,776,744**	31,256,328
– Discontinued operation	**–**	21,789,379
Unabsorbed capital allowances		
– Continuing operations	**490,990**	866,102
– Discontinued operation	**–**	158,007
	45,267,734	54,069,816

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

8. INCOME TAX CREDIT (Continued)

Relationship between income tax credit and accounting loss (Continued)

As at 31 March 2018, the Group has unutilised tax losses and capital allowances that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these unutilised tax losses and capital allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Except for China where there is a maximum of five years carry forward, the remaining tax losses have no expiry date.

9. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the loss and share data used in the computation of basic and diluted loss per share for the financial years ended 31 March:

	Group	
	2018	**2017**
	$	**$**
Continuing operations		
Loss for the year, attributable to owners of the Company for basic and diluted loss per share	**(20,884,590)**	(9,178,830)
Weighted average number of ordinary shares on issue applicable to basic and diluted loss per share	**901,105,809**	833,005,492
Discontinuing operation		
Gain/(loss) for the year, attributable to owners of the Company for basic and diluted loss per share	**10,183,363**	(6,290,807)
Weighted average number of ordinary shares on issue applicable to basic and diluted loss per share	**901,105,809**	833,005,492

Diluted loss per share for the financial years ended 31 March 2018 and 31 March 2017 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive for the years presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

10. PROPERTY, PLANT AND EQUIPMENT

Group 2018	Leasehold properties $	Motor vehicles $	Furniture, fittings and fixtures $	Machinery, instrumentation and tools $	Office equipment $	Renovation $	Capital work in progress $	Mining infrastructure $	Total $
Cost or valuation									
At 1 April 2016	32,390,711	2,969,312	640,563	50,384,565	2,504,078	612,509	1,601,744	1,442,355	92,545,837
Additions	–	1,232,372	42,516	2,795,843	163,339	158,826	1,466,630	521,839	6,381,365
Disposals	–	(167,282)	–	(2,204,360)	(5,349)	–	–	–	(2,376,991)
Write off	–	–	(1,139)	(84,994)	(61,199)	–	–	–	(147,332)
Reclassification	–	–	–	189,924	–	485,550	(675,474)	–	–
Reclassified to assets of disposal group classified as held for sale (Note 29)	–	(146,683)	(67,913)	(5,712,504)	(51,824)	(55,325)	(253,556)	(1,777,764)	(8,065,569)
Currency translation differences	(865,473)	(32,556)	(3,993)	(424,108)	(28,519)	–	(51,878)	(186,430)	(1,592,957)
Revaluation deficit	(2,458,804)	–	–	–	–	–	–	–	(2,458,804)
Elimination of accumulated depreciation on revaluation	(1,439,522)	–	–	–	–	–	–	–	(1,439,522)
At 31 March 2017 and 1 April 2017	27,626,912	3,855,163	610,034	44,944,366	2,520,526	1,201,560	2,087,466	–	82,846,027
Additions	–	–	5,995	122,671	20,236	–	502,977	–	651,879
Disposals	–	(112,738)	–	(1,318,899)	–	–	–	–	(1,431,637)
Write off	–	–	–	(511,766)	–	–	–	–	(511,766)
Reclassification	–	–	–	–	–	16,406	(16,406)	–	–
Currency translation differences	729,086	21,378	–	232,220	23,493	10,037	60,674	–	1,076,888
Revaluation deficit	(1,162,597)	–	–	–	–	–	–	–	(1,162,597)
Elimination of accumulated depreciation on revaluation	(659,083)	–	–	–	–	–	–	–	(659,083)
At 31 March 2018	26,534,318	3,763,803	616,029	43,468,592	2,564,255	1,228,003	2,634,711	–	80,809,711
Representing:									
At 31 March 2018									
Cost	–	3,763,803	616,029	43,468,592	2,564,255	1,228,003	2,634,711	–	54,275,393
Valuation	26,534,318	–	–	–	–	–	–	–	26,534,318
	26,534,318	3,763,803	616,029	43,468,592	2,564,255	1,228,003	2,634,711	–	80,809,711
At 31 March 2017									
Cost	–	3,855,163	610,034	44,944,366	2,520,526	1,201,560	2,087,466	–	55,219,115
Valuation	27,626,912	–	–	–	–	–	–	–	27,626,912
	27,626,912	3,855,163	610,034	44,944,366	2,520,526	1,201,560	2,087,466	–	82,846,027

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group 2018	Leasehold properties $	Motor vehicles $	Furniture, fittings and fixtures $	Machinery, instrumentation and tools $	Office equipment $	Renovation $	Capital work in progress $	Mining infrastructure $	Total $
Accumulated depreciation and impairment loss									
At 1 April 2016	710,113	1,792,546	367,484	22,908,987	1,615,766	502,554	–	152,588	28,050,038
Depreciation	729,409	497,347	59,411	3,951,714	279,106	29,764	–	59,343	5,606,094
Impairment loss	–	–	3,485	336,695	11,410	22,394	–	–	373,984
Disposals	–	(160,700)	–	(1,987,291)	(5,340)	–	–	–	(2,153,331)
Write off	–	–	(543)	(66,344)	(16,610)	–	–	–	(83,497)
Reclassified to assets of disposal group classified as held for sale	–	(112,041)	(23,237)	(2,694,490)	(36,993)	(22,130)	–	(191,846)	(3,080,737)
Elimination of accumulated depreciation on revaluation	(1,439,522)	–	–	–	–	–	–	–	(1,439,522)
Currency translation differences	–	(20,848)	(1,916)	(50,381)	(1,997)	–	–	(20,085)	(95,227)
At 31 March 2017 and 1 April 2017	–	1,996,304	404,684	22,398,890	1,845,342	532,582	–	–	27,177,802
Depreciation	659,083	490,328	50,782	3,130,541	182,991	18,448	–	–	4,532,173
Disposals	–	(111,999)	–	(1,255,034)	–	–	–	–	(1,367,033)
Write off	–	–	–	(511,766)	–	–	–	–	(511,766)
Elimination of accumulated depreciation on revaluation	(659,083)	–	–	–	–	–	–	–	(659,083)
Currency translation differences	–	14,884	37	146,230	15,223	–	–	–	176,374
At 31 March 2018	–	2,389,517	455,503	23,908,861	2,043,556	551,030	–	–	29,348,467
Net carrying amount									
At 31 March 2018	26,534,318	1,374,286	160,526	19,559,731	520,699	676,973	2,634,711	–	51,461,244
At 31 March 2017	27,626,912	1,858,859	205,350	22,545,476	675,184	668,978	2,087,466	–	55,668,225

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company	**Office equipment $**	**Leasehold property $**	**Total $**
Cost or valuation			
At 1 April 2016	1,370	1,650,000	1,651,370
Addition	1,645	–	1,645
Revaluation deficit	–	(50,000)	(50,000)
At 31 March 2017 and 31 March 2018	3,015	1,600,000	1,603,015
Representing:			
At 31 March 2018			
Cost	3,015	–	3,015
Valuation	–	1,600,000	1,600,000
	3,015	1,600,000	1,603,015
At 31 March 2017			
Cost	3,015	–	3,015
Valuation	–	1,600,000	1,600,000
	3,015	1,600,000	1,603,015
Accumulated depreciation			
At 1 April 2016	1,370	36,667	38,037
Charge for the year	457	36,667	37,124
Elimination of accumulated depreciation on revaluation	–	(73,334)	(73,334)
At 31 March 2017 and 1 April 2017	1,827	–	1,827
Charge for the year	548	36,364	36,912
Elimination of accumulated depreciation on revaluation	–	(36,364)	(36,364)
At 31 March 2018	2,375	–	2,375
Net carrying amount			
At 31 March 2018	640	1,600,000	1,600,640
At 31 March 2017	1,188	1,600,000	1,601,188

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at the end of the financial year, the carrying amounts of plant and equipment which were acquired under finance lease arrangements are as follows:

	Group	
	2018	**2017**
	$	**$**
Office equipment	**6,140**	13,534
Motor vehicles	**1,211,572**	1,664,094
Machinery, instrumentation and tools	**5,421,168**	9,492,427
	6,638,880	11,170,055

Finance leased assets are pledged as a security for the related finance lease payables (Note 24).

As at the end of the financial year, two of the Group's leasehold properties and the Company's leasehold property with carrying amount of approximately $21,069,845 and $1,600,000 respectively (2017: $22,189,437 and $1,600,000 respectively) have been pledged to secure certain bank borrowings (Note 22).

For the purpose of consolidated cash flow statement, the Group's additions to plant and equipment are financed as follows:

	Group	
	2018	**2017**
	$	**$**
Additions of plant and equipment	**651,879**	6,381,365
Acquired under finance lease arrangements	**–**	(2,031,563)
Cash payments to acquire plant and equipment	**651,879**	4,349,802

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 March 2018 and 2017, the Group's and the Company's leasehold properties are as follows:

Location	Description	Tenure	Approximate site area (sq. m.)
8A Admiralty Street #06-28 Food Xchange, Singapore	Factory building, office and warehouse	60 years lease from 2000	256.00
No. 185 Dalian Road, Jiaonan, PRC	An apartment for key management personnel	41 years lease from 2011	137.45
Haibing 2 Road, Jiaonan, PRC	18 apartments for staff dormitory	67 years lease from 2012	1,629.43
No. 288 East Zhuhai Road, Jiaonan, PRC	10 units of office premises	48 years lease from 2012	1,114.44
South Haibing 2 Road, East of West Zhushan Road, Jiaonan, PRC	Factory building	48 years lease from 2013	47,689.57
Unit 704, Huikang Building, Zhanxi Road, Yaohai District, PRC(1)	Office premises	37 years lease from 2014	263.21
Unit E-401, Huayi Science Park, Tianda Road, Shushan District, PRC(1)	Industrial space	41 years lease from 2014	752.08
Unit 1413, No. 15, Lane 299, Jiangchang West Road, Zhabei District, PRC	Office premises	45 years lease from 2014	52.48

(1) These leasehold properties, with net carrying amount of approximately S$1,055,585 (2017: $1,045,860) are being held in trust for the Group by a key management personnel of a subsidiary

The Group's leasehold properties were last valued as at 31 March 2018 by external independent professional valuers based on the highest-and-best-use, which is in line with the leasehold properties' actual use, using the direct comparison and cost replacement approaches. A description of the valuation techniques and inputs used were provided in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

If the leasehold properties stated at valuation were included in the financial statements at historical cost less accumulated depreciation, their net carrying amount would have been:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Leasehold properties	**15,459,792**	15,381,370	**439,167**	449,500

11. INVESTMENTS IN SUBSIDIARIES

	Company	
	2018	**2017**
	$	**$**
Shares, at cost:		
Quoted equity shares	**–**	19,424,716
Unquoted equity shares[1]	**70,256,606**	58,435,812
	70,256,606	77,860,528
Reclassified to assets of disposal group classified as held for sale	**–**	(19,424,716)
Impairment losses	**–**	(949,416)
Net carrying amount	**70,256,606**	57,486,396

(1) The Group undertook a restructuring exercise on 23 May 2017 to put all the subsidiaries of the Group that are engaged or involved in the engineering business of the Group under a single intermediate holding company, TGL Engineering Group Pte. Ltd.

Movement in impairment losses during the financial year was as follows:

	Company	
	2018	**2017**
	$	**$**
At 1 April	**949,416**	949,416
Reversal on restructuring	**(461,850)**	–
Written off	**(487,566)**	–
At 31 March	**–**	949,416

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

11. INVESTMENTS IN SUBSIDIARIES (Continued)

Details of subsidiaries as at 31 March 2018 and 2017 are as follows:

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest	
			2018 %	2017 %
Held by the Company:				
Tritech Engineering & Testing (Singapore) Pte Ltd[1]	Singapore	Geological, geotechnical and geophysical investigation, land surveying, instrumentation and analytical study and other related services	–[7]	100
Tritech Consultants Pte Ltd[1]	Singapore	Architectural, engineering and professional consultancy services	–[7]	100
Tritech Geotechnic Pte Ltd[1]	Singapore	Soil investigation, treatment and stabilisation (including grouting and grunting)	–[7]	100
Tritech Instruments Pte Ltd[1]	Singapore	Supply, installation and monitoring of all kinds of engineering instruments	–[7]	100
Presscrete Engineering Pte Ltd[1]	Singapore	Civil and structural engineering services	–[7]	100
Terra Tritech Engineering (M) Sdn Bhd[3]	Malaysia	Providing civil engineering services	–[7]	100
TGL Engineering Group Pte Ltd[1]	Singapore	Investment holding company	**100**	100
Terratech Group Limited[1]	Cayman Islands	Quarrying, extraction and production of dimension stones and other marble-related products	–	56.6

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

11. INVESTMENTS IN SUBSIDIARIES (Continued)

Name of subsidiary	**Country of incorporation/ operation**	**Principal activities**	**Proportion of ownership interest**	
			2018 %	**2017 %**
Held by the Company: (continued)				
Tritech Qingdao Environmental Group Co., Ltd[4]	PRC	Production and sale of membranes for use in waste treatment systems and water treatment systems	**100**	100
Geosoft Pte Ltd[6]	Singapore	Development and sale of engineering finite element analysis programs in the geotechnical field	**54**	54
Held through Terratech Group Limited:				
Terratech Resources Pte Ltd[1]	Singapore	General wholesale trade (including general importers and exporters)	–	56.6
Held through Terratech Resources Pte Ltd:				
CEP Resources Entity Sdn Bhd[2]	Malaysia	Quarrying, extraction and production of dimension stones and other marble-related products	–	56.6
Qingdao Terratech Resources Co., Ltd[4][5]	PRC	Wholesale and importer of mineral resources	–	56.6
Shaanxi Hengyu Architectural Interior Engineering Co., Ltd[4][5]	PRC	Planning, consulting, architectural and engineering design	–	50.3**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

11. INVESTMENTS IN SUBSIDIARIES (Continued)

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest	
			2018	**2017**
			%	**%**
Held through Tritech Qingdao Environmental Group Co., Ltd:				
Tritech (Qingdao) Membrane Technologies Co., Ltd(4)	PRC	Production and sale of membranes for use in waste treatment systems and water treatment system	**100**	100
Tritech Vavie Health Care Technologies Co., Ltd.(4)	PRC	Sale of water purifiers	**100**	100
Anhui Clean Environment Biotechnology Co., Ltd(4)	PRC	Waste water treatment	**100**	100
Beijing Wisetec Technologies Co., Ltd(4)	PRC	Business of designing, developing, services and sale of electronic products	**100**	100
Tritech Water Technologies Pte Ltd(1)	Singapore	Manufacture of bottled and alkaline drinking water, product development and innovation centre	**100**	100
Tritech Syseng (S) Pte Ltd (formerly known as SysEng (S) Pte Ltd)(1)	Singapore	Design and development of automation and engineering system, manufacturer, and provision of remote water monitoring services	**100**	100
Held through Tritech Vavie Health Care Technologies Co., Ltd:				
Tritech Vavie (Beijing) Healthcare Technologies Co., Ltd(4)	PRC	Sale of water purifiers	**100**	30

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

11. INVESTMENTS IN SUBSIDIARIES (Continued)

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest 2018 %	2017 %
Held through TGL Engineering Group Pte Ltd:				
Tritech Engineering & Testing (Singapore) Pte Ltd(1)	Singapore	Geological, geotechnical and geophysical investigation, land surveying, instrumentation and analytical study and other related services	**100(7)**	–
Tritech Consultants Pte Ltd(1)	Singapore	Architectural, engineering and professional consultancy services	**100(7)**	–
Tritech Geotechnic Pte Ltd(1)	Singapore	Soil investigation, treatment and stabilisation (including grouting and grunting)	**100(7)**	–
Tritech Instruments Pte Ltd(1)	Singapore	Supply, installation and monitoring of all kinds of engineering instruments	**100(7)**	–
Presscrete Engineering Pte Ltd(1)	Singapore	Civil and structural engineering services	**100(7)**	–
Terra Tritech Engineering (M) Sdn Bhd(3)	Malaysia	Providing civil engineering services	**100(7)**	–

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by member firms of EY Global in the respective countries
(3) Audited by SE Lai Associates, Chartered Accountants, Malaysia
(4) Not required to be audited under law in its country of incorporation
(5) The English name of this company represents the best effort made by management of the Company to directly translate its Chinese name as it did not register any official English name
(6) Audited by Teo Boon Tieng & Co, Chartered Accountants, Singapore
(7) The Company underwent an internal re-organisation exercise to transfer all subsidiaries under the engineering division into TGL Engineering Group Pte Ltd (also a 100% subsidiary of the Company)
** Group's effective shareholdings

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

11. INVESTMENTS IN SUBSIDIARIES (Continued)

Significant restrictions

The nature and extent of significant restrictions on the Group's ability to use or access assets and settle liabilities of subsidiaries with material non-controlling interests are:

Cash and cash equivalents of $381,724 (2017: $2,034,582) held in PRC are subject to local exchange control regulations. These regulations places restriction on the amount of currency being exported other than through dividends.

Impairment review of investment in subsidiaries

In the current year, the Company carried out a review of the recoverable amount of investments in certain subsidiaries as those subsidiaries had been persistently making losses. The review led to the recognition of an impairment loss of $nil (2017: $464,209) recognised in the financial year.

Interest in a subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary that has NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI %	Loss allocated to NCI during the reporting period $	Accumulated NCI at the end of reporting period $
31 March 2018:				
Terratech Group Limited	Cayman Islands	–	–	–
31 March 2017:				
Terratech Group Limited	Cayman Islands	43.4	(2,672,143)	8,212,962

Summarised financial information about a subsidiary with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of a subsidiary with material NCI are as follows:

Summarised balance sheet

	Terratech Group Limited	
	2018 **$**	**2017** **$**
Current		
Assets	–	9,651,378
Liabilities	–	(9,941,575)
Net current liabilities	–	(290,197)
Non-current		
Assets	–	6,920,453
Liabilities	–	–
Net non-current assets	–	6,920,453
Net assets	–	6,630,256

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

11. INVESTMENTS IN SUBSIDIARIES (Continued)

Summarised financial information about a subsidiary with material NCI (Continued)

Summarised statement of comprehensive income

	Terratech Group Limited	
	2018	**2017**
	$	**$**
Revenue	–	8,960,930
Loss before tax	–	(6,030,198)
Tax expense	–	(164,810)
Loss after tax	–	(6,195,008)
Other comprehensive income	–	(352,411)
Total comprehensive income	–	(6,547,419)
Other summarised information		
Net cash flows used in operations	–	(984,879)
Acquisition of significant plant and equipment	–	587,609

12. INVESTMENT IN ASSOCIATE

	Group	
	2018	**2017**
	$	**$**
Associate	**624,600**	–

Name of subsidiary	**Country of incorporation/ operation**	**Principal activities**	**Proportion of ownership interest**	
			2018	**2017**
			%	**%**
Held through Tritech Vavie Health Care Technologies Co., Ltd:				
Tritech Vavie (Shanghai) Healthcare Technologies Co., Ltd[1]	PRC	Sale of water purifiers	**30**	30

(1) Not required to be audited under law in its country of incorporation

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

12. INVESTMENT IN ASSOCIATE (Continued)

Summarised balance sheet

	Tritech Vavie (Shanghai) Healthcare Technologies Co., Ltd	
	2018	**2017**
	$	**$**
Current assets	**2,065,634**	–
Current liabilities	**(22,055)**	–
Net liabilities	**2,043,579**	–
Investment in Tritech Vavie (Shanghai) Healthcare Technologies Co., Ltd	**624,909**	–
Share of associate's loss	**(309)**	–
Carrying amount of the investment	**624,600**	–

Summarised statement of comprehensive income

Revenue	**–**	–
Loss before tax	**(1,030)**	–
Loss after tax	**(1,030)**	–

13. LAND USE RIGHTS

	Group	
	2018	**2017**
	$	**$**
Cost		
At 1 April	**2,830,597**	2,917,134
Currency translation differences	**82,349**	(86,537)
At 31 March	**2,912,946**	2,830,597
Accumulated amortisation		
At 1 April	**294,478**	245,138
Amortisation	**57,142**	57,394
Currency translation differences	**9,683**	(8,054)
At 31 March	**361,303**	294,478
Net carrying amount		
At 31 March	**2,551,643**	2,536,119

The Group has land use rights over approximately 18.12 acres of land in the PRC where the Group's factory for manufacturing and production of membranes for use in waste water treatment systems and water treatment system was built on. The land use rights is transferable and has a remaining tenure of 43 years (2017: 44 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

14. INTANGIBLE ASSETS

Group	Goodwill $	Transferable club memberships $	Intellectual property right $	Customer contracts $	Development expenditures $	Customer relationships $	Software $	Trademark $	Total $
Cost									
At 1 April 2016	2,004,279	76,500	198,700	449,046	566,328	768,873	823,000	2,827	4,889,553
Attributable to assets of disposal group classified as held for sale (Note 29)	(1,260,159)	–	–	–	–	–	–	–	(1,260,159)
Currency translation differences	(45,981)	–	–	(13,321)	–	–	–	(94)	(59,396)
At 31 March 2017 and 1 April 2017	698,139	76,500	198,700	435,725	566,328	768,873	823,000	2,733	3,569,998
Currency translation differences	–	–	–	12,676	–	–	–	2,566	15,242
At 31 March 2018	698,139	76,500	198,700	448,401	566,328	768,873	823,000	5,299	3,585,240
Accumulated amortisation and impairment loss									
At 1 April 2016	251,357	–	65,046	449,046	205,376	512,571	–	425	1,483,821
Amortisation	–	–	9,935	–	40,106	76,884	117,571	278	244,774
Impairment loss	–	–	–	–	–	179,418	–	–	179,418
Currency translation differences	(7,456)	–	–	(13,321)	–	–	–	(16)	(20,793)
At 31 March 2017 and 1 April 2017	243,901	–	74,981	435,725	245,482	768,873	117,571	687	1,887,220
Amortisation	–	–	9,935	–	40,106	–	117,571	254	167,866
Currency translation differences	–	–	–	12,676	–	–	–	25	12,701
At 31 March 2018	243,901	–	84,916	448,401	285,588	768,873	235,142	966	2,067,787
Net carrying amount									
At 31 March 2018	454,238	76,500	113,784	–	280,740	–	587,858	4,333	1,517,453
At 31 March 2017	454,238	76,500	123,719	–	320,846	–	705,429	2,046	1,682,778

As at the end of the reporting period, the transferable club membership rights are held in trust by a director of the Company.

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units ("CGUs") for the purpose of impairment testing. The CGUs are represented by the Group's investments in subsidiaries. The carrying amount of goodwill allocated to each CGU is as follows:

			Assumption			
CGU	Goodwill		Long-term growth rate		Pre-tax discount rate per annum	
	2018 $	**2017 $**	**2018 %**	**2017 %**	**2018 %**	**2017 %**
Geosoft(1)	**454,238**	454,238	**2.08**	2.08	**16.25**	16.25

(1) Operates within the Other business segment

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

14. INTANGIBLE ASSETS (Continued)

Impairment testing of goodwill (Continued)

The recoverable amounts of the CGUs have been determined based on value-in-use calculations, using cash flow projections from financial budgets approved by management covering a five-year period.

Key assumptions used in the value in use calculations

The calculations of value-in-use for the above CGUs are most sensitive to the following assumptions:

Growth rates – The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital (“WACC”). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group’s investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for the above CGUs, management believes that no reasonably possible changes in any of the above key assumptions would cause the recoverable amounts of the CGUs to be materially lower than their carrying values.

15. PREPAYMENTS

Prepayments under current assets included advance payments to suppliers amounting to $1,755,664 (2017: $1,031,027).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

16. INVENTORIES

	Group 2018 $	Group 2017 $
Balance sheet:		
Construction materials	**391,337**	867,048
Raw materials	**1,151,818**	539,216
Work-in-progress	**58,030**	124,506
Finished goods	**306,275**	2,144,046
	1,907,460	3,674,816
Income statement:		
Inventories recognised as an expense in cost of sales	**13,873,708**	12,797,737
Inclusive of the following charge/(credit)		
– Inventories write-down	**1,652,325**	1,388,596
– Currency translation differences	**71,155**	(18,911)

The Group's inventories that are written down at the end of the reporting period and the movement of the written down account used to record the written down is as follows:

	Group 2018 $	Group 2017 $
At 1 April	**1,388,596**	–
Written down during the year	**1,652,325**	1,388,596
At 31 March	**3,040,921**	1,388,596

17. TRADE AND OTHER RECEIVABLES

	Group 2018 $	Group 2017 $	Company 2018 $	Company 2017 $
Trade receivables				
Trade receivables from third parties	**10,624,288**	7,848,571	**–**	–
Amounts due from subsidiaries	**–**	–	**8,375,066**	7,906,957
Value-Added Tax ("VAT") refundable	**3,704**	6,306	**2,906**	–
	10,627,992	7,854,877	**8,377,972**	7,906,957
Impairment losses: third parties	**(1,442,108)**	(1,261,597)	**–**	–
	9,185,884	6,593,280	**8,377,972**	7,906,957
Other receivables from third parties	**2,767,597**	2,474,410	**–**	–
Amounts due from subsidiaries (non-trade)	**–**	–	**14,854,165**	11,625,768
Interest receivable	**1,876**	1,876	**1,876**	1,876
Advances to employees	**19,038**	288,435	**–**	–
Dividend receivable from a subsidiary	**–**	–	**133,000**	133,000
Deposits	**571,750**	578,008	**218,470**	223,470
Total trade and other receivables	**12,546,145**	9,936,009	**23,585,483**	19,891,071

Trade receivables

Trade receivables are non-interest bearing and generally on 30 to 90 (2017: 30 to 90) days' credit terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

17. TRADE AND OTHER RECEIVABLES (Continued)

Amounts due from subsidiaries

The amounts due from the subsidiaries mainly comprise management fee income, expenses recharged and loans. The trade and non-trade amounts due from the subsidiaries are unsecured, non-interest bearing and repayable on demand in cash.

Trade and other receivables denominated in foreign currencies other than the functional currency of the entity as at 31 March are as follows:

	Group	
	2018	**2017**
	$	**$**
United States dollar	**2,448**	165,012

Movement in impairment losses of third parties trade receivables during the financial year was as follows:

	Group	
	2018	**2017**
	$	**$**
At 1 April	**1,261,597**	1,783,440
Allowance made during the year	**186,208**	319,265
Utilisation of allowance	**–**	(382,298)
Write back	**–**	(48,562)
Currency translation differences	**(5,697)**	(50,998)
Reclassified to assets of disposal group classified as held for sale	**–**	(359,250)
At 31 March	**1,442,108**	1,261,597

The impairment losses arose mainly from customers who have difficulty in settling their debts.

	Group	
	2018	**2017**
	$	**$**
Trade receivables past due but not impaired:		
Lesser than 30 days	**958,529**	166,016
31 to 60 days	**140,137**	187,885
61 to 90 days	**519,684**	46,436
More than 90 days	**3,209,809**	2,522,460
	4,828,159	2,922,797

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

18. AMOUNTS DUE FROM/(TO) CONTRACT CUSTOMERS

	Group	
	2018	**2017**
	$	**$**
Aggregate amount of costs incurred and recognised profits to date	**362,808,942**	308,871,002
Less: Progress billings	**(322,907,743)**	(259,422,370)
Less: Foreseeable losses	**(118,067)**	–
	39,783,132	49,448,632
Presented as:		
Amounts due from contract customers	**44,406,733**	53,275,028
Amounts due to contract customers	**(4,623,601)**	(3,826,396)
	39,783,132	49,448,632
Retention sums receivable on construction contracts included in aggregate amount of costs incurred and recognised profits to date	**665,713**	435,998

19. INVESTMENT SECURITIES

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Current:				
At fair value through profit or loss				
– Equity securities (quoted)	**1,810,087**	–	**1,810,087**	–

Investments pledged as security

The quoted equity securities had been pledged as security for a convertible loan (Note 25). Under the terms and conditions of the loan, the Group is prohibited from disposing of this investment or subjecting it to further charges without furnishing a replacement security of similar value.

During the financial year, the Group recognised impairment loss of $5,909,699 (Note 7) for quoted equity securities as there were “significant” or “prolonged” decline in the fair value of the investments below the costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

20. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2018	2017	**2018**	2017
	$	$	**$**	$
Cash and bank balances	**4,901,044**	4,825,211	**394,056**	102,114
Short-term deposits	**3,248,410**	4,229,047	**1,541,928**	2,430,333
Cash and short-term deposits	**8,149,454**	9,054,258	**1,935,984**	2,532,447

Cash at banks earns interest at floating rates based on daily bank deposits. Short-term deposits mature on varying periods between 1 to 12 (2017: 1 to 12) months from the end of the reporting period. The effective interest rates on the short-term deposits range from 0.05% to 0.7% (2017: 0.05% to 0.7%) per annum. The short-term deposits of the Group and the Company amounting to $2,910,393 (2017: $4,013,042) and $1,500,000 (2017: $2,430,333) respectively are pledged to banks for facilities granted to the Group and the Company (Note 22).

As at 31 March 2018, the Group had cash and cash equivalents (including pledged deposits) of $381,724 (2017: $2,034,582) denominated in Chinese Renminbi ("RMB"). These balances are deposited with the banks in the PRC. RMB is not freely convertible into foreign currencies. Under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

Cash and short-term deposits that are not denominated in the respective functional currencies of the Company and its subsidiaries as at 31 March are as follows:

	Group	
	2018	2017
	$	$
United States dollar	**180,224**	207,970

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

20. CASH AND SHORT-TERM DEPOSITS (Continued)

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2018	**2017**
	$	**$**
Cash and short-term deposits:		
– Continuing operations	**8,149,454**	9,054,258
– Discontinued operations	**–**	1,338,366
	8,149,454	10,392,624
Bank overdrafts (Note 22)	**(1,728,341)**	(2,434,737)
Short-term deposits pledged	**(2,910,392)**	(4,013,042)
Cash and cash equivalents in the consolidated cash flow statement	**3,510,721**	3,944,845

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Trade payables to third parties	**12,046,458**	12,769,023	**–**	–
Goods and Services Tax (“GST”) payable	**894,070**	452,265	**–**	5,689
Accrued operating expenses	**3,075,152**	7,642,924	**819,879**	757,218
Interest accrued on convertible loans (Note 25)	**–**	415,620	**–**	415,620
Accrued unutilised leave	**366,341**	366,750	**–**	–
Advances from customers	**1,233,372**	558,398	**–**	–
Deposits received	**27,650**	27,866	**–**	–
Other payables	**16,002,419**	14,477,588	**146,089**	225,092
Notes payables	**–**	241,040	**–**	–
Amounts due to subsidiaries	**–**	–	**4,557,100**	3,599,145
	33,645,462	36,951,474	**5,523,068**	5,002,764

Trade payables

Trade payables are non-interest bearing and are normally settled between 30 to 90 (2017: 30 to 90) days’ terms.

Amounts due to subsidiaries

Amounts due to the subsidiaries mainly comprises expenses recharges which are unsecured, non-interest bearing and repayable on demand in cash and/or set off against balance except for an amount of $3,463,000 (2017: $1,500,000) due to subsidiaries which bears an effective interest rate from 4.2% to 15.0% (2017: 4.23%) per annum on monthly rates or such other rate(s) as may be determined by the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

21. TRADE AND OTHER PAYABLES (Continued)

Amounts due to subsidiaries (Continued)

Trade and other payables denominated in foreign currencies as at 31 March are as follows:

	Group	
	2018	**2017**
	$	**$**
United States dollar	**6,387,981**	7,474,454
Hong Kong dollar	**129,344**	–

22. BANK BORROWINGS

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Current liabilities				
Secured				
Term loan I	**900,000**	1,200,000	**900,000**	1,200,000
Term loan II	**83,333**	100,000	**–**	–
Term loan III	**626,100**	–	**–**	–
Term loan IV	**3,756,600**	–	**–**	–
Term loan V	**3,130,500**	–	**–**	–
Term loan VI	**3,130,500**	–	**–**	–
Term loan VII	**3,026,150**	–	**–**	–
Term loan VIII	**417,400**	–	**–**	–
Term loan X	**–**	1,521,000	**–**	–
Term loan XI	**–**	3,042,000	**–**	–
Term loan XII	**–**	1,216,800	**–**	–
Term loan XIII	**–**	3,042,000	**–**	–
Term loan XIV	**–**	2,940,600	**–**	–
Term loan XV	**–**	608,400	**–**	–
Term loan XVI	**–**	71,483	**–**	–
Mortgage loan	**22,530**	21,368	**22,530**	21,368
Bank overdrafts	**1,721,882**	2,288,886	**1,721,882**	1,984,745
Fixed advanced facility loan I (“FAFY I”)	**1,500,000**	1,500,000	**–**	–
Fixed advanced facility loan II (“FAFY II”)	**1,500,000**	1,500,000	**1,500,000**	1,500,000
	19,814,995	19,052,537	**4,144,412**	4,706,113
Unsecured				
Term loan IX	**335,569**	–	**–**	–
Term loan XVII	**–**	500,000	**–**	–
Term loan XVIII	**224,105**	–	**–**	–
Term loan XIX	**901,256**	–	**–**	–
Term loan XX	**666,667**	–	**–**	–
Bank overdrafts	**6,459**	145,851	**–**	–
	2,134,056	645,851	**–**	–
	21,949,051	19,698,388	**4,144,412**	4,706,113

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

22. BANK BORROWINGS (Continued)

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Non-current liabilities				
Secured				
Term loan II	–	900,000	–	900,000
Term Loan XIV	–	83,333	–	–
Mortgage loan	**310,998**	331,833	**310,998**	331,833
	310,998	1,315,166	**310,998**	1,231,833
Unsecured				
Term loan IX	**58,744**	–	–	–
	369,742	1,315,166	**310,998**	1,231,833
Total bank borrowings	**22,318,793**	21,013,554	**4,455,410**	5,937,946

The average effective interest rates per annum of the bank borrowings are as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	%	**%**	**%**	**%**
Term loan I	**4.25**	4.25	**4.25**	4.25
Term loan II	**7.50**	7.50	–	–
Term loan III	**5.22**	–	–	–
Term loan IV	**7.40**	–	–	–
Term loan V	**4.79**	–	–	–
Term loan VI	**5.00**	–	–	–
Term loan VII	**5.00**	–	–	–
Term loan VIII	**16.80**	–	–	–
Term loan IX	**8.50**	–	–	–
Term loan X	–	7.40	–	–
Term loan XI	–	5.00	–	–
Term loan XII	–	7.40	–	–
Term loan XIII	–	5.00	–	–
Term loan XIV	–	5.00	–	–
Term loan XV	–	5.22	–	–
Term loan XVI	–	2.15	–	–
Term loan XVII	–	10.00	–	–
Term loan XVIII	**8.31**	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

22. BANK BORROWINGS (Continued)

	Group		Company	
	2018	**2017**	**2018**	**2017**
	%	**%**	**%**	**%**
Term loan XIX	**8.00 – 15.00**	–	**–**	–
Term loan XX	**11.00**	–	**–**	–
Mortgage loan	**5.75**	5.75	**5.75**	5.75
FAFY I	**4.69**	4.22	**–**	–
FAFY II	**4.25**	3.93 – 4.24	**4.25**	4.49 – 4.51
Bank overdrafts	**6.40 – 9.88**	5.50 – 6.40	**–**	6.40

Secured

Term loan I from a financial institution is repayable over 72 months commencing from 12 October 2012 at the bank's prevailing prime rate. Term loan I is secured by short-term deposits of the Company and corporate guarantee by certain subsidiaries of the Group.

Term loan II from a financial institution is repayable over 24 months commencing from 20 December 2016. Term loan II is secured by the equipment and a corporate guarantee of the Company.

Term loan III from a financial institution is repayable over 12 months commencing from 6 November 2017. Term loan III is secured by a leasehold property (Note 10) of the Group in the PRC.

Term loan IV from a financial institution is repayable over 12 months commencing from 20 June 2017. Term loan IV is secured by a leasehold property (Note 10) of the Group in the PRC.

Term loan V from a financial institution is repayable over 12 months commencing from 07 August 2017. Term loan V is secured by a leasehold property (Note 10) and land use rights (Note 13) of the Group in the PRC.

Term loan VI from a financial institution is repayable over 12 months commencing from 27 October 2017. Term loan VI is secured by a leasehold property (Note 10) and land use rights (Note 13) of the Group in the PRC.

Term loan VII from a financial institution is repayable over 12 months commencing from 05 December 2017. Term loan VII is secured by a leasehold property (Note 10) and land use rights (Note 13) of the Group in the PRC.

Term loan VIII from a financial institution is repayable over 12 months commencing from 19 March 2018. Term loan VIII is secured by a leasehold property (Note 10) and land use rights (Note 13) of the Group in the PRC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

22. **BANK BORROWINGS** (Continued)

Secured (Continued)

Term loan X from a financial institution is repayable over 12 months commencing from 27 June 2018. Term loan X is secured by a leasehold property (Note 10) of the Group in the PRC. Term loan X was fully repaid in the financial year.

Term loan XI from a financial institution is repayable over 12 months commencing from 4 August 2016. Term loan XI is secured by a leasehold property (Note 10) and land use rights (Note 13) of the Group in the PRC. Term loan XI was fully repaid in the financial year.

Term loan XII from a financial institution is repayable over 12 months commencing from 12 September 2016. Term loan XII is secured by a leasehold property (Note 10) of the Group in the PRC. Term loan XII was fully repaid in the financial year.

Term loan XIII from a financial institution is repayable over 12 months commencing from 28 October 2016. Term loan XIII is secured by a leasehold property (Note 10) and land use rights (Note 13) of the Group in the PRC. Term loan XIII was fully repaid in the financial year.

Term loan XIV from a financial institution is repayable over 12 months commencing from 9 December 2016. Term loan XIV is secured by a leasehold property (Note 10) and land use rights (Note 13) of the Group in the PRC. Term loan XIV was fully repaid in the financial year.

Term loan XV from a financial institution is repayable over 12 months commencing from 31 October 2016. Term loan XV is secured by a leasehold property (Note 10) of the Group in the PRC. Term loan XV was fully repaid in the financial year.

Term loan XVI from a financial institution is repayable over 24 months commencing from 30 April 2016. Term loan XVI is secured by the equipment and a corporate guarantee of the Company. Term loan XVI was fully repaid in the financial year.

Mortgage loan from a financial institution is repayable over 210 months commencing from 11 May 2012 at the bank's commercial financing rate. Mortgage loan is secured by the legal mortgage over the Company's leasehold property (Note 10).

Bank overdrafts are secured by short-term deposits of certain subsidiaries, the Company's leasehold property and a corporate guarantee of the Company.

FAFY I loan from a financial institution is repayable and rollover every 1-month (2017: 1-month, commencing from 15 July 2016). FAFY I loan is secured by short-term deposits charged to the financial institution and a corporate guarantee of the Company.

FAFY II loan from a financial institution is repayable and rollover every 3-months commencing from the drawdown dates on 3 October 2012 and 30 October 2012. FAFY II loan is secured by short-term deposits of the Company and corporate guarantees by certain subsidiaries of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

22. BANK BORROWINGS (Continued)

Unsecured

Term loan IX from a financial institution is repayable over 18 months commencing from 25 October 2017. Term loan IX is secured by a corporate guarantee of the Company.

Term loan XVII from a financial institution is repayable over 6 months commencing from 28 March 2017. Term loan XVII is secured by a corporate guarantee of the Company. Term loan XVII was fully repaid in the financial year.

Term loan XVIII from a financial institution is repayable over 12 months commencing from 21 February 2018. Term loan XVIII is secured by a corporate guarantee of the Company.

Term loan XIX from a financial institution is repayable over 12 months commencing from 20 November 2017. Term loan XIX is secured by a corporate guarantee of the Company.

Term loan XX from a financial institution is repayable over 12 months commencing from 30 November 2017. Term loan XX is secured by a corporate guarantee of the Company.

As at the end of the reporting period, the banking facilities utilised by and granted to the Group and the Company are as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Facilities granted	**22,540,452**	21,345,484	**4,483,528**	5,953,201
Facilities utilised	**22,318,793**	21,030,221	**4,455,410**	5,937,946

A reconciliation of liabilities arising from financing activities is as follows:

	2017	Cash flows	Foreign exchange	Reclassification	2018
	$	$	$	$	$
Bank borrowings					
– current	19,698,388	1,613,232	(307,993)	945,424	**21,949,051**
– non-current	1,315,166	–	–	(945,424)	**369,742**
Total	21,013,554	1,613,232	(307,993)	–	**22,318,793**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

23. LOANS FROM SHAREHOLDERS

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Loans from a shareholder	**2,320,000**	2,820,000	**2,320,000**	2,820,000
Amounts due to shareholders	**1,610,013**	1,729,270	**–**	200,000
	3,930,013	4,549,270	**2,320,000**	3,020,000

A reconciliation of liabilities arising from financing activities is as follows:

	2017	Cash flows	2018
	$	$	$
Loans from shareholders	2,820,000	(500,000)	**2,320,000**
Amounts due to shareholders	1,729,270	(119,257)	**1,610,013**
Total	4,549,270	(619,257)	**3,930,013**

Loan from a shareholder

The loan from a shareholder is unsecured, interest-bearing at an effective interest rate of 10% (2017: 10%) per annum and repayable on demand in cash.

Amounts due to shareholders

The amounts due to shareholders comprise advances received by the subsidiaries from the directors for working capital purposes. The non-trade amount are unsecured, non-interest bearing and repayable on demand in cash.

24. FINANCE LEASE PAYABLES

The Group has finance leases for certain items of motor vehicles, machinery, instrumentation and tools. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

24. FINANCE LEASE PAYABLES (Continued)

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group			
	2018		2017	
	Minimum lease payments $	Present value of payments $	Minimum lease payments $	Present value of payments $
Within one year	**1,637,865**	**1,559,313**	3,221,837	3,063,386
Later than one year but not later than five years	**981,819**	**955,498**	2,316,619	2,231,114
After five years	**–**	**–**	4,933	4,893
Total minimum lease payments	**2,619,684**	**2,514,811**	5,543,389	5,299,393
Less: Amounts representing finance charges	**(104,873)**	**–**	(243,996)	–
Present value of minimum lease payments	**2,514,811**	**2,514,811**	5,299,393	5,299,393

The effective interest rates charged during the financial year ranged from 1.30% to 6.51% (2017: 2.50% to 6.77%) per annum. The finance lease terms range from 1 to 7 years (2017: 2 to 7 years).

The Group's obligations under the finance leases are secured by the lessors' title to the leased assets (Note 10), short-term deposits of certain subsidiaries of the Group and corporate guarantees of the Company.

A reconciliation of liabilities arising from financing activities is as follows:

	2017 $	Cash flows $	Reclassification $	2018 $
Finance lease payables				
– current	3,063,386	(2,784,582)	1,280,509	**1,559,313**
– non-current	2,236,007	–	(1,280,509)	**955,498**
Total	5,299,393	(2,784,582)	–	**2,514,811**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

25. CONVERTIBLE LOANS

Convertible loan I

On 21 September 2014, the Company entered into a convertible loan agreement with 13 independent individuals (collectively, the "Lenders"), pursuant to which:

(a) the Lenders have agreed to grant interest-bearing convertible loans of up to $10,000,000 in aggregate ("Minimum Loan") to the Company; and

(b) at the Company's request and subject to Lenders agreeing, additional interest bearing convertible loans of up to $10,000,000 in aggregate ("Additional Loan"),

each convertible into new ordinary shares in the share capital of the Company ("Loan Shares") at a conversion price of $0.21 ("Loan Conversion Price").

A Lender shall have the right to have his outstanding loan repaid (in full or in part) by the Company by conversion of any amount of such loan into Loan Shares, at any time prior to the third anniversary of the date of disbursement of such loan by such Lender ("Maturity Date"). To the extent that such loan is not repaid in Loan Shares by the Maturity Date, the Company shall repay the outstanding loan to such Lender in cash on the Maturity Date. Lenders shall not be entitled to request the Company to repay or prepay any convertible loan or any part thereof in cash before the relevant maturity date of convertible loan.

The loans bear interest rate at 10% per annum on the balance outstanding and interest shall be paid by the Company to the Lenders, by way of conversion into ordinary shares ("Interest Shares"), or by cash. Interest conversion price for the interest shares shall be at the lower of:

(i) $0.21; or

(ii) 10% discount to the weighted average share price for trades done on the SGX-ST over the last seven Trading Days prior to such Interest Payment Event;

In the event that the Interest Conversion Price is less than $0.11, interest shall be payable in cash.

On 28 October 2014, the Company had drawn down on the Minimum Loan of $10,000,000, and the full amount thereof has been disbursed by the Lenders to the Company on that date.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

25. CONVERTIBLE LOANS (Continued)

Convertible loan I (Continued)

On 26 April 2017, the Company announced that certain Lenders had accepted the early settlement ("Early Settlement"), with the aggregate settlement sum amounting to $8,250,000, and the proposed disposal of 41,250,000 consolidated shares of Terratech in settlement and satisfaction of such settlement amount (the "Proposed Disposal"). As at the date of this announcement, the outstanding aggregate principal amount of $2,500,000 plus the interest of $125,000 totalling $2,625,000 has been fully settled on the maturity date, 28 October 2017.

Convertible loan II

On 27 October 2017, the Company had entered into convertible loan agreement 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. 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 convertible loan agreement.

The carrying amounts of the equity, derivative and liability components of the convertible loans at the end of the reporting date are arrived at as follows:

	Equity component $	Derivative component $	Liability component $	Deferred tax liabilities $	Total $
Convertible loan I					
At 1 April 2016	2,108,300	104,000	8,098,113	323,321	10,633,734
Add/(less):					
Fair value gain	–	(90,000)	–	–	(90,000)
Interest expense	–	–	2,351,402	(229,738)	2,121,664
Cash payments	–	–	(1,000,000)	–	(1,000,000)
At 31 March 2017 and 1 April 2017	2,108,300	14,000	9,449,515	93,583	11,665,398
Add/(less):					
Interest expense	–	–	1,550,485	–	1,550,485
Early settlement of loan	–	–	(8,250,000)	–	(8,250,000)
Settlement of loan	–	(14,000)	(2,750,000)	(93,583)	(2,857,583)
At 28 October 2017	2,108,300	–	–	–	2,108,300
Convertible loan II					
At date of issuance on 27 October 2017	664,000	–	3,200,000	136,000	4,000,000
Add/(less):					
Interest expense	–	–	317,164	(21,422)	295,742
Cash payments	–	–	(191,150)	–	(191,150)
At 31 March 2018	2,772,300	–	3,326,014	114,578	6,212,892

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

25. CONVERTIBLE LOANS (Continued)

Convertible loan II (Continued)

	Group and Company	
	2018	**2017**
	$	**$**
Liability component of convertible loans		
Current		
Interest accrued on convertible loans (Note 21)	–	415,620
Liability component of convertible loans	–	9,033,895
	–	9,449,515
Non-current		
Liability component of convertible loans	**3,326,014**	–
	3,326,014	9,449,515

A reconciliation of liabilities arising from financing activities is as follows:

	2017	Cash flows	Payment of interest	Accretion of interest	Disposal	2018
	$	$	$	$	$	$
Convertible loans						
– current	9,449,515	(2,500,000)	(250,000)	1,550,485	(8,250,000)	–
Total	9,449,515	(2,500,000)	(250,000)	1,550,485	(8,250,000)	–

	2017	Cash flows	Prepayment	Interest expense	Reclassification to equity component and deferred tax liabilities	Accretion of interest	2018
	$	$	$	$	$	$	$
Convertible loans							
– non-current	–	3,760,000	48,850	191,150	(800,000)	126,014	3,326,014
Total	–	3,760,000	48,850	191,150	(800,000)	126,014	3,326,014

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

26. DEFERRED TAX

Deferred income tax as at 31 March relates to the following:

	Group			
	Consolidated balance sheet		Consolidated income statement	
	2018	2017	**2018**	2017
	$	$	**$**	$
Gross deferred tax assets				
Provision for unutilised leave	**–**	–	**–**	(5,272)
Unabsorbed capital allowance	**–**	–	**–**	(126,723)
Differences in depreciation of plant and equipment for tax purposes	**–**	30,525	**(30,525)**	–
	–	30,525		
Gross deferred tax liabilities				
Unremitted foreign interest income	**(74,710)**	(74,710)	**–**	69,791
Differences in depreciation of plant and equipment for tax purposes	**(4,589)**	–	**(4,589)**	65,097
Fair value of intangible assets	**–**	(134,313)	**260,508**	49,166
Revaluation of leasehold properties	**(1,907,832)**	(2,211,241)	**–**	–
Liability component of convertible loans	**(114,578)**	(164,222)	**49,644**	159,099
	(2,101,709)	(2,584,486)		
	(2,101,709)	(2,553,961)		
Deferred tax credit (Note 8)			**275,038**	211,158

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

26. DEFERRED TAX (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority. The amounts determined after appropriate offsetting are included in the consolidated balance sheet as follows:

	Group	
	2018	**2017**
	$	**$**
Net deferred tax liabilities	**(2,101,709)**	(2,553,961)

	Company Balance sheet	
	2018	**2017**
	$	**$**
Deferred tax liabilities		
Revaluation of leasehold property	**(157,870)**	(164,053)
Liability component of convertible loans	**(114,578)**	(164,222)
Unremitted foreign interest income	**(74,710)**	(74,710)
	(347,158)	(402,985)

The Group has tax losses of $44,776,744 as at 31 March 2018 (2017: $52,114,975) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. These tax losses are subject to the agreement of the taxation authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Included in the unrecognised tax losses are losses of approximately $29,855,613 (2017: $24,780,202) that may be carried forward for a period of five years from their respective year of origination. The remaining unrecognised tax losses may be carried forward indefinitely.

27. SHARE CAPITAL

	Group and Company			
	2018	**2018**	**2017**	**2017**
	No. of shares	**$**	**No. of shares**	**$**
Issued and fully paid ordinary shares				
At 1 April	**879,168,182**	**75,637,158**	791,865,686	69,866,463
Issuance of ordinary shares upon new shares placement	**28,803,000**	**2,016,210**	–	–
Issuance of new shares through loan capitalisation	**–**	**–**	87,302,496	5,770,695
At 31 March	**907,971,182**	**77,653,368**	879,168,182	75,637,158

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

27. SHARE CAPITAL (Continued)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

On 2 June 2017, the Company issued and allotted 28,803,000 placement shares at an issue price of $0.07 per placement share amounting to an aggregate of $2,016,210 for cash to provide funds for the expansion of the Group's water-related business. The newly issued shares ranks pari passu in all respects with the previously issued shares.

28. RESERVES

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Gains on disposal to non-controlling interests	**34,951,514**	34,951,514	–	–
Foreign currency translation reserve	**419,288**	437,224	–	–
Asset revaluation reserve	**8,398,441**	9,269,316	**995,514**	952,969
Equity component of convertible loans (Note 25)	**2,772,300**	2,108,300	**2,772,300**	2,108,300
Accumulated profits/(losses)	**(70,029,932)**	(14,494,075)	**1,780,691**	(1,306,850)
	(23,488,389)	32,272,279	**5,548,505**	1,754,419

(a) Gains on disposal to non-controlling interests

The gains on the disposal and deemed disposal of shares in a subsidiary represent the excess of the deemed considerations received from the respective parties against the share of the subsidiary's net assets disposed of.

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
At 1 April and 31 March	**34,951,514**	34,951,514	–	–

(b) Foreign currency translation reserve

The foreign currency translation reserve account comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency of Singapore Dollar and is non-distributable. Movement in this account is set out in the consolidated statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

28. RESERVES (Continued)

(c) Asset revaluation reserve

The asset revaluation reserve represents increases in the fair value of leasehold properties, net of tax, and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

	Group		Company	
	2018 $	2017 $	2018 $	2017 $
At 1 April	**9,269,316**	11,111,552	**952,968**	925,669
Revaluation (loss)/gain	**(1,162,597)**	(2,458,804)	**36,364**	23,333
Deferred tax on revaluation gain	**291,722**	616,568	**6,182**	3,966
At 31 March	**8,398,441**	9,269,316	**995,514**	952,968

29. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 9 June 2016, one of its subsidiaries, Terratech Group Limited ("Terratech"), announced that it has entered into a conditional sale and purchase agreement with the shareholders of a unrelated third party, Capital World Limited, to acquire the entire issued and paid-up share capital of Terratech for $300.0 million in a reverse takeover ("RTO"). The proposed disposal of Terratech, which was previously reported in the Marble Resources business segment, is consistent with the Group's strategy to focus on the Engineering and Water-related and environmental businesses.

As at 31 March 2017, the assets and liabilities of Terratech have been presented in the balance sheet as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale", and its results are presented separately on profit or loss as "Loss from discontinued operations, net of income tax". The disposal of Terratech was completed on 4 May 2017.

Balance sheet disclosures

The major classes of assets and liabilities of Terratech classified as held for sale and the related reserves as at 31 March are as follows:

	2018 $	2017 $
Assets:		
Property, plant and equipment	–	4,984,832
Mining rights	–	14,015,202
Goodwill	–	1,260,159
Inventories	–	3,348,870
Trade and other receivables	–	4,559,695
Amounts due from contract customers	–	320,136
Prepayments	–	105,295
Cash and bank balances	–	1,338,366
Assets of disposal group classified as held for sale	–	29,932,555

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

29. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Continued)

Balance sheet disclosures (Continued)

	2018 $	2017 $
Liabilities:		
Trade and other payables	–	9,193,327
Finance lease payables	–	27,372
Amounts due to contract customers	–	85,463
Amount due to shareholder	–	70,000
Tax payables	–	274,616
Bank borrowings	–	400,000
Deferred taxation	–	2,458,686
Liabilities directly associated with disposal group classified as held for sale	–	12,509,464
Reserves:		
Accumulated losses	–	(44,804,682)
Foreign currency translation reserve	–	(29,948)
	–	(44,834,630)
Non-controlling interest attributable to disposal group held for sale:		
Non-controlling interest	–	7,881,494

Income statement disclosures

The results of the disposal group for the years ended 31 March are as follows:

	2018 $	2017 $
Revenue	**882,881**	8,960,930
Cost of sales	**(709,428)**	(8,284,005)
Gross profit	**173,453**	676,925
Other income	**768,274**	77,721
Distribution costs	**(7,794)**	(103,993)
Administrative costs	**(97,523)**	(2,228,726)
Other costs	**(2,551,402)**	(4,624,515)
Finance costs	**(4,079)**	(16,217)
Loss before taxation from discontinued operation	**(1,719,071)**	(6,218,805)
Income tax expense	**(42,139)**	(209,561)
Loss from discontinued operation, net of income tax	**(1,761,210)**	(6,428,366)
Other comprehensive income:		
Exchange differences on translating foreign operation	**82,710**	(352,412)
Total comprehensive income for the financial year	**(1,678,500)**	(6,780,778)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

29. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Continued)

Cash flow statement disclosures

The cash flows attributable to the disposal group are as follows:

	2018 $	2017 $
Operating	**1,483,462**	(984,879)
Investing	**–**	(562,065)
Financing	**(86,110)**	2,122,529
Net cash	**1,397,352**	575,585

Loss per share disclosure

	2018 $	2017 $
Loss per share from discontinued operation attributable to owners of the Company (cents per share)		
Basic	**(0.2)**	(0.7)
Diluted	**(0.2)**	(0.7)

30. COMMITMENTS

(a) Operating lease commitments – as lessee

The Group has entered into commercial leases for rental payable for premises and office equipment. Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group		Company	
	2018 $	2017 $	2018 $	2017 $
Not later than one year	**1,352,496**	1,500,831	**188,885**	182,877
Later than one year but not later than five years	**3,250,857**	3,863,629	**1,592**	–
Later than five years	**–**	332,789	**–**	–
	4,603,353	5,697,249	**190,477**	182,877

The above operating lease commitments are based on existing rental rates and have an average tenure of between 1 to 7 years (2017: 1 to 7 years). The operating lease agreements provide for periodic revision of such rates in the future. There were no renewal options or arrangements entered for contingent rent payments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

30. COMMITMENTS (Continued)

(b) Operating lease commitments – as lessor

The Group has entered into commercial leases on its operating lease premises. Future minimum rentals receivable for premises under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2018 $	2017 $
Not later than one year	**76,647**	29,511

All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. There were no renewal options or arrangements entered for contingent rent payments.

31. RELATED PARTY TRANSACTIONS

(a) Sales and purchase of services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2018 $	2017 $	2018 $	2017 $
With shareholders				
Loans from shareholders	**590,743**	3,000,802	–	1,700,000
With subsidiaries				
Loans to subsidiaries	–	–	**3,641,210**	1,640,000
Loans from subsidiaries	–	–	**1,963,000**	2,048,090
Management fee income	–	–	**1,080,000**	1,080,000
Rental income	–	–	**540,036**	544,068
Loan interest charged by subsidiaries	–	–	**127,237**	63,545
Loan interest charged to subsidiaries	–	–	–	24,000
Accounting fee charged by subsidiary	–	–	**172,931**	58,340
Recharge of expenses by subsidiaries	–	–	**169,334**	41,991
Recharge of expenses to subsidiaries	–	–	**130,573**	118,143
Settlement of liabilities on behalf by subsidiaries	–	–	**13,275**	2,385
Settlement of liabilities on behalf of subsidiaries	–	–	**130,358**	21

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

31. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Directors' fees	**170,793**	432,576	**150,793**	195,000
Short-term benefits	**1,315,912**	1,925,807	**906,818**	900,000
Contributions to the defined contribution plans	**56,506**	47,020	**32,520**	24,480
Total compensation paid to key management personnel	**1,543,211**	2,405,403	**1,090,131**	1,119,480
Comprise amounts paid to:				
– Directors of the Company	**1,090,131**	1,159,480	**1,090,131**	1,119,480
– Directors of a subsidiary	**453,080**	1,245,923	**–**	–
	1,543,211	2,405,403	**1,090,131**	1,119,480

The remuneration of key management personnel is determined by the directors having regard to the performance of individuals and market trends.

32. CONTINGENT LIABILITIES

Corporate guarantees

The Company has issued corporate guarantees for bank borrowings and finance lease payables of certain subsidiaries. These bank borrowings and finance lease payables amounted to $6,290,944 (2017: $7,727,433) at the balance sheet date. The fair value of such financial guarantees is not expected to be material as the bank borrowings and finance lease payables are collateralised against certain assets of the Company and the respective subsidiaries as disclosed in Notes 22 and 24. Accordingly, the financial guarantees have not been recognised.

Financial support

As at the end of the financial year, the Company had given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

33. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable segments as follows:

(i) Engineering business, which comprises Specialist Engineering Services & Ground and Structural Engineering Services. Specialist Engineering Services comprise specialist geotechnical services, geotechnical instruments, design, consultancy and project management services and M2M products and services. Ground and Structural Engineering Services comprise micropiling, soil nail, retaining wall system, as well as design and build structural works including post tension, inspection, demolition and repair;

(ii) Water-related and environmental business, which comprises water treatment consultancy, manufacture of water treatment membranes and water quality monitoring;

(iii) Marble Resources business, which comprises exploration, development, quarrying, extraction, removal and processing of marble, and the commercial sale of marble and marble products; and

(iv) Corporate business, which comprises Group-level corporate services and treasury functions.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm’s length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

33. SEGMENT INFORMATION (Continued)

2018	Engineering business $	Water-related and environmental business $	Marble Resources business (Discontinued operation) $	Corporate $	Other $	Adjustments $	Per consolidated financial statements $
Revenue:							
Sales to external customers	49,867,479	15,049,316	882,881	–	25,358	–	65,825,034
Inter-segment sales	910,506	1,007,726	108,887	1,080,000	78,576	(3,185,695)*	–
Total revenue	50,777,985	16,057,042	991,768	1,080,000	103,934	(3,185,695)*	65,825,034
Results:							
Segment results	(1,909,974)	(6,456,292)	(1,714,992)	2,227,139	97,289	–	(7,756,830)
Finance costs	(415,714)	(1,004,983)	(4,079)	(2,486,802)	–	–	(3,911,578)
Interest income	8,053	2,596	–	11,669	–	–	22,318
Share of results of associate	–	(309)	–	–	–	–	(309)
(Loss)/profit before taxation	(2,317,635)	(7,458,988)	(1,719,071)	(247,994)	97,289	–	(11,646,399)
Income tax credit							187,514
Loss for the year							(11,458,885)
Capital expenditure:							
Plant and equipment	106,116	543,830	–	–	1,933	–	651,879
Significant non-cash items:							
Depreciation and amortisation expenses	2,858,127	1,742,935	69,723	36,912	119,207	–	4,826,904
Fair value loss on investment securities	–	–	–	5,909,699	–	–	5,909,699
Gain on disposal of investment in subsidiary	–	–	(11,134,548)	–	–	–	(11,134,548)
Impairment losses on trade receivables	–	186,208	–	–	–	–	186,208
Write down of inventories	–	1,652,325	–	–	–	–	1,652,325
Asset and liabilities:							
Assets	45,121,070	50,370,819	–	29,925,014	1,066,985	–	126,483,888
Liabilities	21,702,031	38,497,716	–	11,580,597	160,129	–	71,940,473

Note Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

* Inter-segment revenues are eliminated on consolidation

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

33. SEGMENT INFORMATION (Continued)

2017	Engineering business $	Water-related and environmental business $	Marble Resources business (Discontinued operation) $	Corporate $	Other $	Adjustments $	Per consolidated financial statements $
Revenue:							
Sales to external customers	51,530,519	9,431,984	8,960,930	–	–	–	69,923,433
Inter-segment sales	301,132	306,997	1,608,895	1,080,000	76,800	(3,373,824)*	–
Total revenue	51,831,651	9,738,981	10,569,825	1,080,000	76,800	(3,373,824)*	69,923,433
Results:							
Segment results	3,662,931	(8,893,310)	(6,203,127)	(2,923,477)	(13,842)	–	(14,370,825)
Finance costs	(361,638)	(665,181)	(16,217)	(2,885,226)	–	–	(3,928,262)
Interest income	7,480	6,021	539	6,858	–	–	20,898
Profit/(loss) before taxation	3,308,773	(9,552,470)	(6,218,805)	(5,801,845)	(13,842)	–	(18,278,189)
Income tax credit							136,409
Loss for the year							(18,141,780)
Capital expenditure:							
Plant and equipment	3,812,107	1,978,183	587,609	1,645	1,821	–	6,381,365
Significant non-cash items:							
Depreciation and amortisation expenses	3,110,335	1,987,199	847,173	27,957	120,006	–	6,092,670
Fair value gain on derivative component of convertible loans	–	–	–	(90,000)	–	–	(90,000)
Impairment of plant and equipment	–	373,984	–	–	–	–	373,984
Impairment of intangible assets	–	179,418	–	–	–	–	179,418
Impairment of inventories	–	1,388,596	691,146	–	–	–	2,079,742
Impairment losses on trade receivables	–	250,382	68,883	–	–	–	319,265
Asset and liabilities:							
Assets	79,088,897	44,980,558	29,932,555	12,426,846	1,209,014	–	167,637,870
Liabilities	25,839,541	37,739,388	12,509,464	19,982,963	278,745	–	96,350,101

Note Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

* Inter-segment revenues are eliminated on consolidation

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

33. SEGMENT INFORMATION (Continued)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Singapore	**51,992,082**	54,192,115	**22,004,612**	41,405,552
People's Republic of China	**13,726,408**	15,237,867	**34,150,328**	35,627,985
Malaysia	**106,544**	493,450	**–**	3,113,778
Discontinued operation	**(882,881)**	(8,960,930)	**–**	(20,260,193)
	64,942,153	60,962,502	**56,154,940**	59,887,122

Non-current assets consist of property, plant and equipment, land use rights, mining rights, intangible assets as presented in the balance sheet of the Group.

Information about a major customer

Revenue from one (2017: one) major customer amounted to $23,318,186 (2017: $20,393,886) and arose from construction and geotechnical services rendered within the engineering business segment.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the years under review, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from the Group's short-term deposits and bank borrowings.

The Group's policy is to manage interest cost by maintaining an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short term borrowings.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 100 (2017: 100) basis points higher/lower with all other variables held constant, the Group's loss net of tax would have been $15,546 higher (2017: $12,732 higher), arising mainly as a result of higher/lower interest income on cash and short-term deposits and higher/lower interest expenses on floating rate loans and borrowings.

(b) Foreign currency risk

The Group operates in Asia with dominant operations in Singapore, Malaysia and PRC. Entities in the Group regularly transacts in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group and the Company mainly from transactions and balances denominated in United States dollar ("USD"). Exposure to foreign currency risk is monitored on an on-going basis to ensure that the net exposure is at an acceptable level.

As at the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in foreign currencies other than the respective entity's functional currency are disclosed in the respective notes to the financial statements. The Group and the Company have not entered into any currency forward exchange contracts during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD against the functional currencies of the Group's entities with all other variables held constant, on the Group's loss before tax:

	Increase/(decrease)	
	2018 Loss before tax $	**2017 Loss before tax $**
Group		
USD against SGD		
– Strengthened 10% (2017: 5%)	**620,531**	355,074
– Weakened 10% (2017: 5%)	**(620,531)**	(355,074)

The potential impact of foreign exchange rate fluctuation on profit or loss of the Group as described in the sensitivity analysis above is attributable mainly to foreign exchange rate fluctuations on the Group's exposure on non-reporting currency receivables and payables as at the end of the reporting period.

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables, and cash and bank balances.

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history or government authorities. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral. The Group has a credit policy in place and the exposure to credit risk is monitored on an on-going basis.

Exposure to credit risk

As at the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

Since the Group trades only with recognised and creditworthy third parties or government authorities, there is no requirement for collateral.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Credit risk (Continued)

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group and the Company. Cash and short-term deposits that are neither past due nor impaired are placed with reputable commercial banks and financial institutions which are regulated in Singapore and PRC and has no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 (Trade and other receivables).

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and by matching the payment and receipt cycle.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of the overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and short-term deposits to meet their working capital requirements.

The following table details the Group's and Company's remaining contractual maturity for the financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to receive or pay.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk (Continued)

	One year or less $	One to five years $	Over five years $	Total $
Group				
2018				
Financial assets				
Trade and other receivables[1]	**12,542,441**	**–**	**–**	**12,542,441**
Cash and short-term deposits	**8,149,454**	**–**	**–**	**8,149,454**
Total undiscounted financial assets	**20,691,895**	**–**	**–**	**20,691,895**
Financial liabilities				
Trade and other payables[2]	**31,518,020**	**–**	**–**	**31,518,020**
Convertible loans	**–**	**4,000,000**	**–**	**4,000,000**
Bank borrowings	**22,674,736**	**242,017**	**225,266**	**23,142,019**
Finance lease payables	**1,637,865**	**976,885**	**4,934**	**2,619,684**
Loans from shareholders	**3,930,013**	**–**	**–**	**3,930,013**
Total undiscounted financial liabilities	**59,760,634**	**5,218,902**	**230,200**	**65,209,736**
Total net undiscounted financial liabilities	**(39,068,739)**	**(5,218,902)**	**(230,200)**	**(44,517,841)**
2017				
Financial assets				
Trade and other receivables[1]	9,929,703	–	–	9,929,703
Cash and short-term deposits	9,054,258	–	–	9,054,258
Total undiscounted financial assets	18,983,961	–	–	18,983,961
Financial liabilities				
Trade and other payables[2]	35,940,811	–	–	35,940,811
Convertible loans	11,000,000	–	–	11,000,000
Bank borrowings	19,698,388	1,192,977	225,266	21,116,631
Finance lease payables	3,221,837	2,316,619	4,933	5,543,389
Loans from shareholders	4,549,270	–	–	4,549,270
Total undiscounted financial liabilities	74,410,306	3,509,596	230,199	78,150,101
Total net undiscounted financial liabilities	(55,426,345)	(3,509,596)	(230,199)	(59,166,140)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk (Continued)

	One year or less $	One to five years $	Over five Years $	Total $
Company				
2018				
Financial assets				
Trade and other receivables[1]	**23,582,577**	**–**	**–**	**23,582,577**
Cash and short-term deposits	**1,935,984**	**–**	**–**	**1,935,984**
Total undiscounted financial assets	**25,518,561**	**–**	**–**	**25,518,561**
Financial liabilities				
Trade and other payables[2]	**5,523,068**	**–**	**–**	**5,523,068**
Convertible loans	**–**	**4,000,000**	**–**	**4,000,000**
Bank borrowings	**4,183,876**	**182,648**	**225,266**	**4,591,790**
Loans from shareholders	**2,320,000**	**–**	**–**	**2,320,000**
Total undiscounted financial liabilities	**12,026,944**	**4,182,648**	**225,266**	**16,434,858**
Total net undiscounted financial assets/(liabilities)	**13,491,617**	**(4,182,648)**	**(225,266)**	**9,083,703**
2017				
Financial assets				
Trade and other receivables[1]	19,891,071	–	–	19,891,071
Cash and short-term deposits	2,532,447	–	–	2,532,447
Total undiscounted financial assets	22,423,518	–	–	22,423,518
Financial liabilities				
Trade and other payables[2]	4,997,075	–	–	4,997,075
Convertible loans	11,000,000	–	–	11,000,000
Bank borrowings	4,706,113	1,102,978	225,266	6,034,357
Loans from shareholders	3,020,000	–	–	3,020,000
Total undiscounted financial liabilities	23,723,188	1,102,978	225,266	25,051,432
Total net undiscounted financial liabilities	(1,299,670)	(1,102,978)	(225,266)	(2,627,914)

(1) Exclude VAT refundable
(2) Exclude advances from customers and GST payable

NOTES TO THE FINANCIAL STATEMENTS

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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk (Continued)

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantees could be called.

	One year or less $	One to five years $	Total $
Company			
2018			
Financial guarantees provided to subsidiaries	**6,290,944**	–	**6,290,944**
2017			
Financial guarantees provided to subsidiaries	7,727,433	–	7,727,433

35. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

– Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;

– Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

– Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

35. FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

(b) Assets and liabilities measured at fair value

	Note	Fair value measurements using Level 1 $	Level 2 $	Level 3 $	Total $
Group					
2018					
Assets					
Property, plant and equipment					
– Leasehold properties	10	–	–	**26,534,318**	**26,534,318**
Investment securities	19	**1,810,087**	–	–	**1,810,087**
2017					
Assets					
Property, plant and equipment					
– Leasehold properties	10	–	–	27,626,912	27,626,912
Liabilities					
Derivative component of convertible loans	25	–	–	14,000	14,000

(c) Level 3 fair value measurements

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 3 instruments, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below.

Description	Fair value as at 31 March 2018 $	Valuation techniques used	Significant unobservable inputs
Property, plant and equipment – Leasehold property (industrial space located at Unit E-401, Huayi Science Park, Tianda Road, Shushan District, China)	693,035	Cost replacement approach, with reference to valuation report performed by an independent valuer on 31 March 2018.	**Market price per square metre** $984 per square metre
Property, plant and equipment – All other leasehold properties	25,841,283	Direct comparison approach, with reference to valuation report performed by an independent valuer on 31 March 2018.	**Market price per square metre** $96 – $4,817 per square metre

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

35. FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

(c) Level 3 fair value measurements (Continued)

Description	Fair value as at 31 March 2017 $	Valuation techniques used	Significant unobservable inputs
Property, plant and equipment – Leasehold property (industrial space located at Unit E-401, Huayi Science Park, Tianda Road, Shushan District, China)	690,737	Cost replacement approach, with reference to valuation report performed by an independent valuer on 31 March 2017.	**Market price per square metre** $1,006 per square metre
Property, plant and equipment – All other leasehold properties	26,936,175	Direct comparison approach, with reference to valuation report performed by independent valuers on 31 March 2017.	**Market price per square metre** $1,480 – $2,300 per square metre

	Leasehold properties $	Derivative component of convertible loans $
Group		
2018		
At 1 April	**27,626,912**	**14,000**
Currency translation	**729,086**	**–**
Included in profit or loss:		
Depreciation	**(659,083)**	**–**
Convertible loan interest	**–**	**(14,000)**
Included in other comprehensive income:		
Net deficit on revaluation of leasehold properties	**(1,162,597)**	**–**
At 31 March	**26,534,318**	**–**
2017		
At 1 April	31,680,598	104,000
Currency translation	(865,473)	–
Included in profit or loss:		
Fair value gain	–	(90,000)
Depreciation	(729,409)	–
Included in other comprehensive income:		
Net deficit on revaluation of leasehold properties	(2,458,804)	–
At 31 March	27,626,912	14,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

35. FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

(c) Level 3 fair value measurements (Continued)

Valuation policies and procedures

The Group's Financial Controller ("FC") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation model and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. The FC is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

For valuations performed by external valuation experts, the FC reviews the appropriateness of the valuation methodologies and assumptions adopted. The FC also evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant unobservable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available.

Significant changes in fair value measurements from period to period are evaluated by the FC for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

36. FINANCIAL INSTRUMENTS BY CATEGORY

Set out below is the carrying amount of each of the categories of the Group's and the Company's financial instruments that are carried in the financial statements:

Group 2018	Loans and receivables $	Liabilities at amortised cost $	Financial assets/liabilities at fair value through profit or loss $	Total $
Assets				
Trade and other receivables[1]	12,542,441	–	–	12,542,441
Cash and short-term deposits	8,149,454	–	–	8,149,454
Investment securities	–	–	1,810,087	1,810,087
	20,691,895	–	1,810,087	22,501,982
Liabilities				
Trade and other payables[2]	–	31,518,020	–	31,518,020
Liability component of convertible loans	–	3,326,014	–	3,326,014
Bank borrowings	–	22,318,793	–	22,318,793
Finance lease payables	–	2,514,811	–	2,514,811
Loans from shareholders	–	3,930,013	–	3,930,013
	–	63,607,651	–	63,607,651

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

36. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Group 2017	Loans and receivables $	Liabilities at amortised cost $	Financial assets/liabilities at fair value through profit or loss $	Total $
Assets				
Trade and other receivables[1]	9,929,703	–	–	9,929,703
Cash and short-term deposits	9,054,258	–	–	9,054,258
	18,983,961	–	–	18,983,961
Liabilities				
Trade and other payables[2]	–	35,940,811	–	35,940,811
Derivative and liability components of convertible loans	–	9,033,895	14,000	9,047,895
Bank borrowings	–	21,013,554	–	21,013,554
Finance lease payables	–	5,299,393	–	5,299,393
Loans from shareholders	–	4,549,270	–	4,549,270
	–	75,836,923	14,000	75,850,923

Company 2018	Loans and receivables $	Liabilities at amortised cost $	Financial assets/liabilities at fair value through profit or loss $	Total $
Assets				
Trade and other receivables[1]	**23,582,577**	**–**	**–**	**23,582,577**
Cash and short-term deposits	**1,935,984**	**–**	**–**	**1,935,984**
Investment securities	**–**	**–**	**1,810,087**	**1,810,087**
	25,518,561	**–**	**1,810,087**	**27,328,648**
Liabilities				
Trade and other payables[2]	**–**	**5,523,068**	**–**	**5,523,068**
Liability component of convertible loans	**–**	**3,326,014**	**–**	**3,326,014**
Bank borrowings	**–**	**4,455,410**	**–**	**4,455,410**
Loans from shareholders	**–**	**2,320,000**	**–**	**2,320,000**
	–	**15,624,492**	**–**	**15,624,492**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

36. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Company 2017	Loans and receivables $	Liabilities at amortised cost $	Financial assets/liabilities at fair value through profit or loss $	Total $
Assets				
Trade and other receivables[1]	19,891,071	–	–	19,891,071
Cash and short-term deposits	2,532,447	–	–	2,532,447
	22,423,518	–	–	22,423,518
Liabilities				
Trade and other payables[2]	–	4,997,075	–	4,997,075
Derivative and liability components of convertible loans	–	9,033,895	14,000	9,047,895
Bank borrowings	–	5,937,946	–	5,937,946
Loans from shareholders	–	3,020,000	–	3,020,000
	–	22,988,916	14,000	23,002,916

(1) Exclude VAT refundable

(2) Exclude advances from customers and GST payable

37. CAPITAL MANAGEMENT

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value.

Management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayment and interests) based on their operating cash flows. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2018 and 2017.

The Group monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as bank borrowings, finance lease payables, convertible loans and trade and other payables, less cash and short-term deposits. Total capital is calculated as total equity plus net debt.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

37. CAPITAL MANAGEMENT (Continued)

The Group monitors its capital structure as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Trade and other payables	**33,645,462**	36,951,474	**5,523,068**	5,002,764
Bank borrowings	**22,318,793**	21,013,554	**4,455,410**	5,937,946
Finance lease payables	**2,514,811**	5,299,393	**–**	–
Derivative and liability components of convertible loans	**3,326,014**	9,047,895	**3,326,014**	9,047,895
Less: Cash and short-term deposits	**(8,149,454)**	(9,054,258)	**(1,935,984)**	(2,532,447)
Net debt	**53,655,626**	63,258,058	**11,368,508**	17,456,158
Total equity	**54,543,415**	71,287,769	**83,201,873**	77,391,577
Total capital	**108,199,041**	134,545,827	**94,570,381**	94,847,735
Gearing ratio	**49.6%**	47.0%	**12.0%**	18.4%

In order to maintain their status with local regulatory authorities in the construction industry, certain subsidiaries of the Group are required to maintain a minimum paid up capital and minimum net worth respectively.

Certain banking facilities granted to certain subsidiaries and the Company require the Group and/or these entities to adhere to certain capital requirements. They are required to maintain certain net worth or gearing ratios in excess of specific financial thresholds.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2018 and 2017.

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2018 were authorised for issue in accordance with a resolution of the directors on 29 June 2018.

STATISTICS OF SHAREHOLDINGS

AS AT 22 JUNE 2018

SHARE CAPITAL

Issued and Fully Paid-up Ordinary Share Capital	:	77,542,052.07
Class of Ordinary Shares	:	Ordinary Shares
Number of Ordinary Shares	:	907,971,182
Number of Treasury Shares	:	Nil
Number of Subsidiary Holdings	:	Nil
Voting Rights	:	1 vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	255	17.81	4,330	0.00
100 – 1,000	17	1.19	6,392	0.00
1,001 – 10,000	197	13.75	971,336	0.11
10,001 – 1,000,000	892	62.29	106,709,322	11.75
1,000,001 AND ABOVE	71	4.96	800,279,802	88.14
TOTAL	**1,432**	**100.00**	**907,971,182**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	WANG XIAONING	120,673,628	13.29
2	LEE SUI HEE	68,710,612	7.57
3	ADONIS INVESTMENT HOLDINGS PTE LTD	68,123,385	7.50
4	CAI JUNGANG	62,301,805	6.86
5	UOB KAY HIAN PRIVATE LIMITED	52,568,816	5.79
6	PHILLIP SECURITIES PTE LTD	47,767,656	5.26
7	RHB SECURITIES SINGAPORE PTE. LTD.	46,881,500	5.16
8	OCBC SECURITIES PRIVATE LIMITED	45,655,072	5.03
9	LOH CHANG KAAN	41,704,114	4.59
10	DBS NOMINEES (PRIVATE) LIMITED	34,345,076	3.78
11	MAYBANK KIM ENG SECURITIES PTE. LTD.	30,628,716	3.37
12	WANG HONG	14,229,206	1.57
13	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	8,385,100	0.92
14	ONG GIM LOO	7,500,000	0.83
15	TAN GUAN HONG	6,026,126	0.66
16	GOH LAI PENG	5,809,700	0.64
17	SEAH KEE KHOO	5,495,000	0.61
18	CITIBANK NOMINEES SINGAPORE PTE LTD	5,000,000	0.55
19	WEE KHOON KIANG	4,991,000	0.55
20	ANG POON BENG	4,950,200	0.55
	TOTAL	**681,746,712**	**75.08**

STATISTICS OF SHAREHOLDINGS

AS AT 22 JUNE 2018

SUBSTANTIAL SHAREHOLDERS

NO.	NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST	%	DEEMED INTEREST	%
1	Wang Xiaoning	120,673,628	13.29	–	–
2	Cai Jungang	62,301,805	6.86	100,000.00	0.01
3	Lee Sui Hee	68,710,612	7.57	–	–
4	Adonis Investment Holdings Pte Ltd	68,123,385	7.50	–	–

Based on the information available to the Company as at 22 June 2018, approximately 59.84 % of the ordinary issued shares of the Company are held by the public. Accordingly, Rule 723 of the Listing Manual (Section B: Rule of Catalist) of the Singapore Exchange Securities Trading Limited has been complied with.

STATISTICS OF WARRANTHOLDINGS

AS AT 22 JUNE 2018

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 – 99	257	28.52	2,324	0.00
100 – 1,000	109	12.10	100,225	0.03
1,001 – 10,000	170	18.87	1,170,068	0.30
10,001 – 1,000,000	319	35.40	45,056,415	11.65
1,000,001 AND ABOVE	46	5.11	340,245,561	88.02
TOTAL	**901**	**100.00**	**386,574,593**	**100.00**

TWENTY LARGEST WARRANTHOLDERS

NO.	NAME	NO. OF WARRANTS	%
1	WANG XIAONING	46,886,677	12.13
2	RHB SECURITIES SINGAPORE PTE. LTD.	33,996,500	8.79
3	ADONIS INVESTMENT HOLDINGS PTE LTD	27,776,989	7.19
4	LEE SUI HEE	26,812,371	6.94
5	CAI JUNGANG	24,113,133	6.24
6	LOH CHANG KAAN	16,075,422	4.16
7	TAN THIAM CHYE	15,865,000	4.10
8	PHILLIP SECURITIES PTE LTD	14,119,423	3.65
9	WANG HONG	13,396,185	3.47
10	OCBC SECURITIES PRIVATE LIMITED	11,434,036	2.96
11	CHENG WA SING	11,201,900	2.90
12	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	8,745,000	2.26
13	LIM CHIN TONG	7,902,900	2.04
14	MAYBANK KIM ENG SECURITIES PTE. LTD.	7,420,008	1.92
15	LIM & TAN SECURITIES PTE LTD	6,808,000	1.76
16	LIAU KENG CHUNG	5,850,000	1.51
17	WONG YONG CHYE	4,951,100	1.28
18	TAN CHIN HOCK	4,448,000	1.15
19	LI JINGJING	3,630,000	0.94
20	TEO CHER KOON	3,360,900	0.87
	TOTAL	**294,793,544**	**76.26**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 9th Annual General Meeting of the Company will be held at 31 Changi South Avenue 2, Singapore 486478 on Monday, 30 July 2018 at 10.30 a.m for the purpose of considering and, if thought fit, passing with or without modifications, the following Resolutions:

Ordinary Business

AS ORDINARY RESOLUTIONS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2018 together with the Auditor's Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of S$150,793 for the financial year ended 31 March 2018 (FY2017: S$195,000). **Resolution 2**

3. To re-elect Mr Aw Eng Hai retiring pursuant to Article 99 of the Constitution of the Company. ***(See Explanatory Notes)*** **Resolution 3**

4. To re-elect Dr Cai Jungang retiring pursuant to Article 99 of the Constitution of the Company. ***(See Explanatory Notes)*** **Resolution 4**

5. To re-appoint Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

Special Business

AS ORDINARY RESOLUTIONS

6. **General Authority to Allot and Issue Shares** **Resolution 6**

   That, pursuant to Section 161 of the Companies Act, Chapter 50 ("**Companies Act**") and Rule 806(2) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Rules of Catalist**"), authority be and is hereby given to the Directors to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into shares;

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors shall in their absolute discretion deem fit, and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided always that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), provided that the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company;

(2) (subject to such manner of calculation as may be prescribed by the Rules of Catalist), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of total issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of this Resolution, after adjusting for:

   (a) new Shares arising from the conversion or exercise of any convertible securities outstanding at the time this authority is given;

   (b) (where applicable) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and

   (c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Directors shall comply with the Rules of Catalist for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, and the Memorandum and Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. ***(See Explanatory Notes)***

NOTICE OF ANNUAL GENERAL MEETING

7. **The Proposed Renewal Of The Share Buy Back Mandate** **Resolution 7**

That:

(a) the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchase(s) (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Rules of Catalist**"),

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act, Chapter 50 ("**Companies Act**"), the Memorandum and Articles of Association of the Company and the Rules of Catalist as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the conclusion of the next Annual General Meeting of the Company is held or date by which such Annual General Meeting is required by law to be held;

(ii) the date on which the Share buy-backs are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buy Back Mandate is varied or revoked;

NOTICE OF ANNUAL GENERAL MEETING

(c) for purposes of this Resolution:

"**Maximum Limit**" means ten per cent. (10%) of the total issued ordinary shares of the Company as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company (other than a reduction by virtue of a share buy-back) in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined) in which event the issued ordinary shares of the Company shall be taken to be the total number of the issued ordinary shares of the Company as altered by such capital reduction (the total number of ordinary shares shall exclude any ordinary shares that may be held as treasury shares by the Company from time to time);

"**Relevant Period**" means the period commencing from the date of the passing of this Resolution and expiring on the date the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier, after the date of this Resolution;

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Market Purchase was made by the Company and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, fifteen per cent. (15%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

(d) the number of Shares which may in aggregate be purchased or acquired by the Company during any one financial year of the Company shall be subject to the Maximum Limit;

NOTICE OF ANNUAL GENERAL MEETING

(e) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Buy Back Mandate in any manner as they think fit, which is permitted under the Companies Act; and

(f) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution. ***(See Explanatory Notes)***

8. **Authority to Issue Shares under the Tritech Group Employee Share Option Scheme** **Resolution 8**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised and empowered to offer and grant options under the Tritech Group Employee Share Option Scheme (the "**Scheme**") and to issue from time to time such number of ordinary shares in the capital of the Company ("**Shares**") as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary Shares to be issued pursuant to the Scheme and the Plan (as defined below) collectively shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. ***(See Explanatory Notes)***

9. **Authority to Issue Shares under the Tritech Group Performance Share Plan** **Resolution 9**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised and empowered to offer and grant awards under the Tritech Group Performance Share Plan (the "**Plan**") and to issue from time to time such number of Shares in the capital of the Company ("**Shares**") as may be required to be issued pursuant to the exercise of awards granted by the Company under the Plan, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary Shares to be issued pursuant to the Scheme and the Plan collectively shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. ***(See Explanatory Notes)***

NOTICE OF ANNUAL GENERAL MEETING

10. To transact any other business that may be transacted at an Annual General Meeting.

By Order of the Board

Lee Pih Peng
Company Secretary

Singapore, 13 July 2018

Notes:

1. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of share shall be specified)

   "Relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

2. A proxy need not be a member of the Company.

3. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or under the hand of its duly authorised officer or attorney.

4. The instrument appointing a proxy must be deposited at the office of the Company at 31 Changi South Avenue 2, Tritech Building, Singapore 486478 not less than forty-eight (48) hours before the time for holding the forthcoming Annual General Meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representatives to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Explanatory Notes on Ordinary Business to be transacted:

Resolution 3

Mr Aw Eng Hai will, upon re-appointment as a Director of the Company, remain as an Independent Director of the Company, Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee. Mr Aw Eng Hai is considered by the Board of Directors to be independent for the purpose of Rule 704(7) of the Rules of Catalist.

Resolution 4

Dr Cai Jungang will, upon re-appointment as a Director of the Company remain as an Executive Director.

Explanatory Note on Special Business to be transacted:

Resolution 6

The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors of the Company, from the date of the forthcoming Annual General Meeting of the Company until the next Annual General Meeting of the Company, to allot and issue Shares and convertible securities in the Company, without seeking any further approval from Shareholders in a general meeting but within the limitation imposed by Ordinary Resolution 6, for such purposes as the Directors may consider would be in the best interests of the Company. The number of Shares and convertible securities that the Directors may allot and issue under Ordinary Resolution 6 would not exceed one hundred per cent. (100%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of Ordinary Resolution 6. For issue of Shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed fifty per cent. (50%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of Ordinary Resolution 6.

The one hundred per cent. (100%) limit and the fifty per cent. (50%) limit will be calculated based on the Company's issued share capital at the time of the passing of Ordinary Resolution 6, after adjusting for:

(i) new Shares arising from the conversion or exercise of convertible securities; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares.

Resolution 7

The Ordinary Resolution 7 proposed in item 7 above, if passed, renews the Share Buy Back Mandate and will authorise the Directors, from time to time, to purchase Shares subject to and in accordance with the Rules of Catalist and such other laws and regulations as may for the time being be applicable.

The rationale for, the authority and limitation on, the source of funds to be used for the purchase or acquisition including the amount of financing and an illustration on the financial impact of a purchase or acquisition of shares by the Company pursuant to the Share Buy Back Mandate on the audited accounts of the Group and the Company for the financial year ended 31 March 2018 are set out in greater detail in the Addendum to this annual report.

NOTICE OF ANNUAL GENERAL MEETING

Resolution 8

The Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors of the Company, from the date of the forthcoming Annual General Meeting of the Company until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme (when added with Shares issued by the Company pursuant to the exercise of awards granted or to be granted under the Plan) up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

Resolution 9

The Ordinary Resolution 9 proposed in item 9 above, if passed, will empower the Directors of the Company, from the date of the forthcoming Annual General Meeting of the Company until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares issued by the Company pursuant to the exercise of awards granted or to be granted under the Plan (when added with Shares issued by the Company pursuant to the exercise of options granted or to be granted under the Scheme) up to a number not exceeding in total (for the entire duration of the Plan) fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

TRITECH GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200809330R)

PROXY FORM
ANNUAL GENERAL MEETING
(Please see notes overleaf before completing this Form)

IMPORTANT
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than 2 proxies to attend, speak and vote at the Annual General Meeting.
2. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notes to this Proxy Form.

I/We, ____

of ____

being a member/members of Tritech Group Limited (the "Company"), hereby appoint:

Name	NRIC/Passport Number	Proportion of my/our Shareholdings (%)	
		No. of shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of my/our Shareholdings (%)	
		No. of shares	%
Address			

as my/our* proxy/proxies to vote for me/us*on my/our* behalf, at the Annual General Meeting of the Company ("**AGM**") to be held at 31 Changi South Avenue 2, Singapore 486478 on Monday, 30 July 2018 at 10.30 a.m. I/We* direct my/our proxy/proxies* to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matters arising at the AGM.

No.	Ordinary Resolutions relating to	For**	Against**
Resolution 1	Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 March 2018		
Resolution 2	Directors' fees of S$150,793 for the financial year ended 31 March 2018 (FY2017: S$195,000)		
Resolution 3	Re-election of Mr Aw Eng Hai as Director of the Company		
Resolution 4	Re-election of Dr Cai Jungang as Director of the Company		
Resolution 5	Re-appointment of Ernst & Young LLP as Auditors of the Company		
Resolution 6	General authority to allot and issue Shares		
Resolution 7	The proposed renewal of the Share Buy Back Mandate		
Resolution 8	Authority to issue Shares under the Tritech Group Employee Share Option Scheme		
Resolution 9	Authority to issue Shares under the Tritech Group Performance Share Plan		

Notes
* Please delete accordingly.
** If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided.
Alternatively, please indicate the number of votes as appropriate.

Dated this ______ day of ________________ 2018

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this proxy form will be deemed to relate to entire number of ordinary Shares in the Company registered in your name(s).

2. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

   "Relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. A proxy need not be a member of the Company.

4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.

5. The instrument appointing a proxy or proxies together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof, shall be deposited at the Registered Office of the Company at 31 Changi South Avenue 2 Singapore 486478, not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.

6. The instrument appointing a proxy or proxies shall be in writing under the hand of the appointor or of his attorney duly authorised in writing; or if such appointor is a corporation under its common seal, if any, and; if none, then under the hand of some officer duly authorised in that behalf. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50.

8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representatives to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

TriTech

TRITECH GROUP LIMITED
2 Kaki Bukit Place #07-00 | Tritech Building | Singapore 416180
Tel: (65) 6848 2567 | Fax: (65) 6848 2568
www.tritech.com.sg