TriTech

BUILDING
VALUE
TOGETHER

ANNUAL
REPORT
2016

BUSINESS SEGMENTS

ENGINEERING 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-RELATED AND ENVIRONMENTAL 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

MARBLE RESOURCE BUSINESS

- Quarrying, extraction and production of dimension stones and other marble-related products

CORPORATE PROFILE

Established in 1999, Tritech Group Limited ("Tritech" and its subsidiaries the "Group") is a leading specialist engineering group with an excellent reputation as a provider of a full range of engineering services from project planning, site investigation, 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 seven 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-related and Environmental business, and Marble Resource business. For its Water-related and Environmental 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. The Group also holds a 62.9% equity interest in Terratech Group Limited which is a producer of premium quality marble blocks and marble slabs.

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

CONTENTS

This annual report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

BUSINESS MODEL

ENGINEERING 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

WATER-RELATED AND ENVIRONMENTAL 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

MARBLE RESOURCE BUSINESS

LIMESTONE BUSINESS

- Quarrying, extraction and production of dimension stones and other marble-related products

GROUP
STRUCTURE

TriTech 三泰集团
TRITECH GROUP LIMITED

- 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)
- 100% **TRITECH (QINGDAO) ENVIRONMENTAL GROUP CO., LTD.** (三泰(青岛)环境集团有限公司)
  - 100% Tritech Vavie Health Care Technologies Co., Ltd. (三泰万维思源(青岛)健康科技有限公司)
  - 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% 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% SysEng (S) Pte. Ltd. (新加坡赛森有限公司)
- 62.9% **TERRATECH GROUP LIMITED** (泰石集团有限公司)
  Public Company listed on Singapore Exchange (SGX Code: 401.SI) (新加坡证券交易所上市公司)
  - 100% Terratech Resources Pte. Ltd. (新加坡泰石矿业有限公司)
    - 100% CEP Resources Entity Sdn. Bhd. (马来西亚 CEP 矿山资源有限公司)
    - 100% Qingdao Terratech Resources Co., Ltd. (青岛泰石矿业有限公司)
    - 80% Shaanxi Hengyu Architectural Interior Engineering Co., Ltd. (陕西恒宇建筑装饰工程有限公司)
- 54% GEOSOFT PTE. LTD.
- DIVISION FOR REGIONAL BUSINESS & MARKETING DEVELOPMENT ("RBMD") 区域业务及市场开发部

CHAIRMAN'S STATEMENT

> The milestones achieved by Tritech in the past few years have been transformational and key to our long term business. Our Directors are of the reasonable opinion that the foundation has been laid for greater growth of Tritech's business in the coming years.

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present Tritech Group Limited's ("Tritech" and together with its subsidiaries, the "Group") annual report for the financial year ended 31 March 2016 ("FY2016").

Over the past few years, Tritech's management team has been working relentlessly on executing operational and corporate initiatives aimed at transforming the Group's business and improving its long term prospects. As a result, the Group has achieved a number of key milestones that have laid the foundation for greater growth of its business in future years, albeit with some adverse short term impact on its financial performance. Nevertheless, Tritech was able to show an improved set of results for FY2016 with commendable growth for both the Group's revenue and gross profit, while substantially reducing its net loss to $18.1 million from $31.7 million in FY2015.

Operating conditions for the Group's Engineering business in Singapore have become increasingly challenging in recent years. This is due mainly to the increase in direct costs caused by the government's new policy on foreign workers levy and a severe shortage of experienced local engineers, as well as the intense competition from new market players. Our management has been working to mitigate these issues by reducing the Engineering business' reliance on labour, raising productivity and investing in technologically advanced machinery to enhance our technical capability.

As a result, our Engineering business has retained its strong competitive position in public sector projects and remains as one of the leading market players. Our Engineering business has built a unique business model as a consultancy and specialist contractor. Today, we are one of few engineering companies in Singapore that has capabilities across the entire value chain of engineering services to execute a project from its commencement to completion. As at 30 June 2016, the Engineering business had an order book of $144 million, which is expected to be completed over the next few years.

To strengthen the growth profile of the Engineering business, the Group is looking to expand beyond our traditional markets of Singapore and Malaysia. Given our established reputation as a leading engineering services provider, we see tremendous potential to leverage on our vast experience and strong technical expertise to explore new business opportunities in the PRC and the regional markets. While these geographical expansion plans could take some time to bear fruit, we believe that building a regional presence will lead to a substantial improvement in the prospects of our Engineering business.

The Group has also achieved encouraging progress in the development of our Water-related and Environmental business in the PRC and Singapore. During FY2016, we successfully completed an internal group restructuring of our Water-related and Environmental business. All six of our subsidiaries engaged in the Water-related and Environmental business are now housed under a single entity, Tritech (Qingdao) Environmental Group Co., Ltd. which will serve as the platform for future development and growth of our Water-related and Environmental business in the PRC, Singapore and the region.

With the completion of our Qingdao factory, the Group has our own comprehensive range of water treatment membrane products. Together with our real-time water quality and environmental monitoring technology and EPC business, which focuses on waste water treatment and municipal water treatment and supply projects in the PRC, Tritech has built a unique platform to provide total solutions for water and environmental problems in the PRC and the regional markets. Our order book for the Water-related and Environmental business currently stands at $21 million. The Group envisages good growth potential for this business and expects its order book to increase in the coming 12 months.

As for our Marble Resource business, Terratech Group Limited ("Terratech") was able to show an improvement in its financial results for FY2016. Despite a challenging operating environment, Terratech's revenue more than doubled to $10.0 million in FY2016 which enabled it to record a gross profit of $0.5 million from a gross loss of $0.3 million in FY2015. Coupled with a reduction in operating expenses, Terratech recorded a substantially lower net loss of $3.6 million in FY2016 as compared to the net loss of $12.3 million reported in FY2015.

To accelerate its future growth, Terratech announced on 9 June 2016 that it has entered into a conditional sale and purchase agreement to acquire the entire issued and paid-up share capital of Capital City Property Sdn Bhd ("Capital City") for $300.0 million ("Proposed Acquisition"). The consideration for the Proposed Acquisition will be satisfied by the issuance of 4,285,714,286 new Terratech shares to the shareholders of Capital City at an issue price of $0.07. This is expected to result in a reverse takeover of Terratech.

Capital City is a transformative developer engaged in the conception, design and execution of integrated property development projects in Malaysia. The Proposed Acquisition will allow Terratech to gain exposure to an attractive niche segment of the growing property development market in Malaysia, and provide ample opportunities for the Marble Resource business to supply its unique and high quality marble products to current and future projects of Capital City. More information on Terratech's financial performance, business progress and the Proposed Acquisition can be found in its annual report for the year ended 31 March 2016.

APPRECIATION

In closing, I would like to thank my fellow Directors for their invaluable counsel and contributions. On behalf of the Board, I wish to express my appreciation to the management and staff for their hard work, commitment and contributions to the Group.

The milestones achieved by Tritech in the past few years have been transformational and key to our long term business. The Group continues to exhibit sound fundamentals and our Directors are of the reasonable opinion that the foundation has been laid for greater growth of Tritech's business in the coming years. Hence, our management would like to encourage shareholders and business partners to continue their valued support of the Group and remain confident in our business directions.

Professor Yong Kwet Yew
Non-Executive Chairman

MANAGING DIRECTOR'S MESSAGE

Tritech has completed the restructuring of our Engineering, Water-related and Environmental, and Marble Resource businesses to streamline the Group's corporate structure, and also explored potential acquisitions, joint ventures and/or strategic cooperation to enhance the growth potential of these business segments.

DEAR SHAREHOLDERS,

In the past few years, Tritech Group Limited ("Tritech" and together with its subsidiaries, the "Group") has undertaken several initiatives that transformed our businesses and will be key to our long term development. While some of these developments may have affected our financial results in the immediate term, we believe the Group has accomplished important milestones that have strengthened our foundation for greater business growth in the coming years.

While the broader market environment remained fraught with uncertainties and challenges, Tritech continued to implement key strategic developments. We have completed the restructuring of the Group's business to consolidate our interests in three distinct business segments under three separate intermediate holding companies. This restructuring exercise allows Tritech to rationalize and streamline the Group's corporate structure. We also explored potential acquisitions, joint ventures and/or strategic cooperation that will help to enhance the future growth potential of our three business segments – Engineering, Water-related and Environmental, and Marble Resource businesses.

REVIEW OF BUSINESS SEGMENTS

Engineering Business

The Engineering business comprises mainly Specialist Engineering Services, and Ground and Structural Engineering Services.

The Engineering business recorded revenue of $53.3 million for the financial year ended 31 March 2016 ("FY2016"), an increase of 15.1% from $46.3 million in FY2015. However, as the Group hires several hundred foreign workers, the Singapore government's implementation of the new policy on foreign workers' levy cost, coupled with heightened market competition, has adversely affected the gross profit margin of our Engineering business. In addition, the Group also faced challenges from a shortage of experienced local engineers.

To address the current issues, the Group acted quickly by reducing its participation in projects that are more labour intensive, and enhancing its technical capabilities through investments in higher-end equipments especially for underground pipe jacking and excavation works in Singapore. These investments will help to improve our productivity and lower costs associated with project delays.

Notwithstanding the keen industry competition, Tritech remains as one of the leading market players in Singapore and has chalked up an order book of $144 million as at 30 June 2016. These orders, which comprise primarily public sector projects, are expected to be completed over the next few years.

In April 2016, a consortium between Tritech Consultants Pte Ltd and Black & Veatch (SEA) Pte Ltd was awarded a $3.5 million contract by the Public Utilities Board to provide consultancy services in relation to a "Feasibility Study on Underground Drainage and Reservoir System ("UDRS")". The Group's share of the contract is $1.4 million and it is responsible for the evaluation of the feasibility and design of the underground components of the UDRS. This contract has commenced on 9 May 2016 and is expected to be completed within 24 months.

The contract with PUB marked a milestone in our roadmap to become a leading underground space developer in Singapore and Southeast Asia region. Tritech has established a strong track record in this niche underground segment since 2006.

Some of the notable projects we have carried out with Jurong Town Corporation ("JTC") include the ongoing Jurong Rock Cavern construction, research and development on "Master Planning for Underground Space Development", and "Underground Space Usage Feasibility Study" which covered nine potential industrial usages ranging from data centre, warehouse, R&D center, airport logistics center, landfill, power plant, incineration plant, water treatment plant and reservoir.

To realise our goal, we have established the Tritech Centre for Underground Space Development to, amongst others, facilitate our research and development to further the growth of our underground space development business. We believe in the long-term benefits of underground space for sustainable development especially in places where land is scarce. With our strategic industry partners, we are confident that Tritech will be able to provide and develop world class infrastructure facilities and drive interest from end-users in underground spaces.

Our Engineering business also continued to secure new contracts from Land Transport Authority ("LTA"). In June 2016, the Group was awarded a $36.6 million contract to provide Qualified Person ("QP") services for construction supervision and review services for Contracts T313 and T315. Contract T313 covers the construction and completion of the proposed East Coast Section of Thomson East Coast Line Xilin Station; and Contract T315 covers, inter alia, the construction and completion of the new infrastructures attached to the existing Tanah Merah Station. This new contract from LTA has commenced on 7 June 2016. Completion of the QP services is expected to take place on 28 February 2024 and 30 December 2024 for Contract T313 and Contract T315 respectively.

In January 2016, the Group has acquired a 54% stake in Geosoft Pte Ltd ("Geosoft"). Geosoft is a developer of powerful and comprehensive engineering finite element analysis ("FEA") programs in the geotechnical field. With Geosoft as a subsidiary of Tritech, our Engineering business will be placed in an advantageous position due to the limited availability of geotechnical 3D FEA analysis programs in the market. The ownership of such advanced technologies also help to enhance the suite of our products and services regionally and internationally in the geotechnical market, as well as reduce our reliance on the provision of labour-intensive services.

Tritech is a unique engineering company in Singapore as we have the capabilities to carry out the entire value chain of engineering services from project planning and feasibility studies, site investigation, instrumentation and monitoring, design and consultancy to construction supervision and specialist construction. With our unique value proposition, specialised competencies in underground space development, and continual efforts to enhance productivity, we believe our Engineering business is on the right track to attain pole position in Singapore.

Beyond the local shores, we are also aggressively looking for opportunities in the region including the PRC, to provide technical expertise for projects such as Sponge City in the PRC and underground space utilisation. While this is expected to be a long-drawn process, we believe expanding outwardly in the Asia region is an important step for us to build a better future for our Engineering business.

Water-related and Environmental Business

Revenue from our Water-related and Environmental business in FY2016 increased 33.9% to $15.8 million from $11.8 million in FY2015. New projects have helped to lift the gross profit margin of this business segment in FY2016.

Our Water-related and Environmental business comprises three main components – manufacture and sale of membrane and membrane-related products; provision of EPC services for water treatment projects; and provision of real-time water quality and environmental monitoring services.

We take pride that the Group has successfully established our Water-related and Environmental business in the PRC and Singapore. Following the completion of our membrane manufacturing factory in Qingdao and the acquisition of Anhui Clean Environment Biotechnology Co., Ltd, an EPC company in the PRC, the Group has built a unique platform to provide a total solution to water and environmental issues in the PRC and region. Our unique competitive strengths come from three key areas of technical competencies – advanced membrane products and technologies; proven anaerobic industrial waste water treatment technology and real-time water quality and environmental monitoring technology.

To facilitate the future development of our Water-related and Environmental business, we have completed the restructuring of its business units in FY2016. Six subsidiaries, namely Tritech (Qingdao) Membrane Technologies Co., Ltd, Tritech Vavie Health Care Technologies Co., Ltd, Beijing Wisetec Technologies Co., Ltd, Anhui Clean Environment Biotechnology Co., Ltd, Tritech Water Technology Pte. Ltd. and SysEng (S) Pte Ltd are now wholly-owned subsidiaries of Tritech (Qingdao) Environmental Group Co., Ltd. which is 100%-owned by Tritech.

MANAGING DIRECTOR'S MESSAGE

Tritech (Qingdao) Environmental Group Co., Ltd. will serve as the platform for the development of our Water-related and Environmental business in the PRC, Singapore and the region.

Over the coming 12 months, we envisage an increase in our order book which currently stands at $21 million. In line with our strategy to identify opportunities that could raise the growth potential of our Water-related and Environmental business, the Group entered into a joint venture agreement with China Finance Asset Management Co. Ltd. ("CFAMC") in January 2016 for the purposes of securing "Sponge City" and "Smart Waterworks" projects in the PRC.

There are 16 cities across the PRC that have been designated as "Sponge Cities" in a pilot scheme aimed at harvesting more rain water. These sponge cities are to effectively absorb, filter, collect and use rainfall. In view of this major development, we intend to work on securing contracts to provide services in rainwater conservancy, storage, treatment and reclamation. We also plan to increase the penetration of our water and environmental monitoring and management services in the PRC.

As part of the joint venture agreement, CFAMC and Tritech will hold a 70% and 30% stake respectively in the joint venture company. CFAMC will be in charge of marketing and financing of the projects secured under the joint venture company while Tritech will be responsible for the technical aspects in relation to the execution and maintenance of the secured projects.

Marble Resource Business (Terratech Group Limited)

The Marble Resource business contributed revenue of $10.0 million in FY2016, an increase from $4.0 million in FY2015. This was driven mainly by the contribution from a new subsidiary Shaanxi Hengyu Architectural Interior Engineering Co., Ltd. that was acquired in December 2014. As a result of higher revenue and cost efficiencies derived from our quarry operations, the Marble Resource business reversed the gross loss in FY2015 to post a gross profit of $0.5 million in FY2016.

During FY2016, Terratech continued to focus its efforts on creating and heightening market awareness of its marble dimension stone products. Our concerted marketing efforts have translated into positive results as Terratech's premium-grade marble products have gained higher market recognition and acceptance in the PRC, Indonesia, Taiwan and Malaysia.

Our quarrying operations in Kelantan, Malaysia have also progressed smoothly according to plans. We have strategically carried out marble production at a controlled rate to align our inventory to current market demand. With sufficient stock of marble blocks from Hill 2B to meet the anticipated demand, Terratech concentrated its resources on the development and extraction works at Hill 1 and Hill 2A during 2015 to widen the variety of marble products. In January 2016, we decided to put on hold the marble extraction works at Hill 1 to focus on development works at Hill 2B and Hill 2A.

Besides organic growth, we have also been exploring investments, acquisitions or strategic alliances that complement our core business and enhance long term shareholder value. To this end, Terratech has entered into a conditional sale and purchase agreement ("SPA") on 9 June 2016 to acquire Capital City Property Sdn Bhd for $300.0 million ("Proposed Acquisition").

Capital City is a transformative developer engaged in the conception, design and execution of integrated property development projects in Malaysia such as the Project Capital City located at Tampoi, Johor Bahru. Project Capital City is expected to comprise hotel and service suite towers, as well as serviced apartments that will sit on top of a six-storey thematic entertainment retail mall.

The Proposed Acquisition constitutes a reverse takeover of Terratech and will transform the Group's business model when completed. We believe this transaction is a positive move as it will provide an opportunity for Terratech to gain exposure to an attractive niche segment of the growing property development market in Malaysia. Moreover, Terratech's marble business will benefit from the Proposed Acquisition which is expected to provide ample opportunities to supply our high quality marble products to current and future projects of Capital City. The Proposed Acquisition is subject to shareholders' approval at an Extraordinary General Meeting to be convened in due course.

More information on our Marble Resource business can be found in Terratech's annual report for the year ended 31 March 2016.

FINANCIAL REVIEW

Income Statement

The Group's revenue increased by $17.1 million from $62.1 million in FY2015 to $79.2 million in FY2016, due mainly to the increase in revenue of the Water-related and Environmental business of $4.0 million, the Marble Resource business of $6.0 million and the Engineering business of $7.0 million.

Gross profit increased by $2.2 million, attributable mainly to higher profit margin from the new projects undertaken by the Water-related and Environmental business. However, the Group's overall gross profit margin decreased from 13.89% in FY2015 to 13.60% in FY2016 due mainly to higher costs associated with the Engineering business.

Other income increased by $1.3 million from $1.0 million in FY2015 to $2.3 million in FY2016 due mainly to the increase in fair value gain on derivative component of convertible loan of $0.6 million, the reversal of impairment loss on other receivables of $0.2 million, the reversal of write down of inventory of Marble Resource business of $0.3 million and the increase in sundry income of $0.2 million mainly arising from the Marble Resource business.

Distribution costs, administrative costs and other operating costs decreased by $11.6 million due mainly to absence of fair value loss on financial liabilities designated at FVTPL, one-off share based expenses and IPO expenses of $16.1 million incurred in FY2015. The decrease was further due to the decrease in impairment losses on trade receivables, inventories written down and professional fees amounting to $3.7 million. The overall decrease was partially offset by the increase in employee benefits expenses, write-off and impairment loss on intangible assets and plant and equipment, unabsorbed manufacturing overhead and office expenses totalling $8.2 million in FY2016.

Finance costs increased by $0.9 million from $2.7 million in FY2015 to $3.6 million in FY2016 attributable mainly to full year recognition of convertible loan interests and higher term loan interests in FY2016 when compared to FY2015.

As a result of the above factors, the Group recorded a lower loss after tax of $18.1 million in FY2016 as compared to a loss after tax of $31.7 million in FY2015.

Balance Sheets

As at 31 March 2016, the Group had shareholders' equity of $74.6 million and cash and cash equivalents of $12.3 million.

Non-current assets amounted to $84.8 million as at 31 March 2016, a decrease of $0.9 million from $85.7 million as at 31 March 2015. The decrease was due to the amortisation of land use right, mining rights, intangible assets and prepayment of land totaling $1.0 million, which was offset by the increase in property, plant and equipment of $0.1 million.

Current assets amounted to $81.5 million as at 31 March 2016. This was a decrease of $9.8 million from $91.3 million as at 31 March 2015 due mainly to the decreases in inventories, trade and other receivables, amount due from contract customers, prepayments and cash and bank balances which totaled $9.8 million. The lower inventories can be attributed mainly to higher amount of goods sold by the Water-related and Environmental business. Trade and other receivable decreased as certain projects which were completed during the year were pending final certification from customers and had yet to be invoiced.

Current liabilities increased $8.7 million from $54.1 million as at 31 March 2015 to $62.8 million as at 31 March 2016. The increase was due mainly to the higher trade and other payables of $9.4 million in relation to the additional purchases for current-work in progress projects for the Water-related and Environmental business in PRC, increase in finance lease payables of $0.2 million and the increase of loan from shareholders of $6.7 million for working capital purpose and repayment of bank loans. This was offset by the decrease in amount due to contract customers, bank borrowings, derivative components of convertible loans and current income tax payable which totaled $7.6 million.

Non-current liabilities increased $0.5 million from $20.1 million as at 31 March 2015 to $20.6 million as at 31 March 2016. This was due mainly to the increase in finance lease payables of $0.9 million and the increase in liability component of convertible loans of $1.4 million. It was offset by the decrease in bank borrowings of $1.3 million and deferred tax liabilities of $0.5 million.

The Group had a positive working capital of $18.7 million as at 31 March 2016 as compared to $37.1 million as at 31 March 2015.

Cashflow Statement

In FY2016, the Group generated net cash from operating activities amounting to $3.7 million. The Group recorded an operating cash outflow of $7.9 million before working capital changes which was offset by working capital inflow of $11.6 million mainly from a decrease in trade and other receivables.

Net cash of $5.1 million was used in investing activities in FY2016, mainly for the purchase of new plant and machinery for the Engineering business and Water-related and Environmental business.

Net cash of $4.3 million was used in financing activities in FY2016, mainly for the repayment of bank borrowing, finance lease payment, interest payment and fixed deposit pledged totaling of $19.6 million. The outflow was partially offset by cash inflow from shareholder loan of $6.7 million and proceeds from bank borrowings of $8.6 million.

APPRECIATION

In closing, I wish to thank our shareholders, customers, suppliers and business partners for your support of Tritech group of companies. To my management and staff, I would like to express my gratitude for your contributions, dedication and commitment to the Group. Together with the support of our stakeholders, I believe Tritech Group has a solid foundation to achieve greater growth in our business in the coming years.

Dr Jeffrey Wang
Managing Director

LEVERAGING OUR
REPUTATION

With capabilities to carry out the entire value chain of engineering services, Tritech is a unique engineering company and remains as one of the leading market players in Singapore.

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 directors at the Company's annual general meeting held on 31 July 2015. Professor Yong is a highly regarded geotechnical specialist in Singapore and Southeast Asia. He holds a PhD from the University of Sheffield, UK and has delivered 25 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 President of the Southeast Asian Geotechnical Society and chairs several government advisory committees and professional committees. He has received many awards including the Public Administration Medal, the Public Service Medal and Public Service Star in the year of 2000, 2004 and 2008. He is a Fellow of the Institution of Engineers, Singapore, an Accredited Adjudicator and a member of Singapore Institute of Directors. He is a registered Professional Engineer in Singapore.

As our Group's businesses are largely related to geotechnical engineering and ground engineering, Professor Yong, through his expertise in the geotechnical field, would be able to provide our Group with invaluable guidance and strategic business direction. Professor Yong would be able to share his experience and professionalism in the geotechnical field with our Group and help the Group to provide high quality professional geotechnical services as a reputable specialist engineering firm in Singapore and the region. In addition, Professor Yong's past experience and established business networks as a consultant in major construction projects, will be useful to our Group's future plans to expand our business in the region. Professor Yong is currently also a non-executive chairman and an independent director of BBR Holdings (S) Ltd and a board and executive committee member of the Land Transport Authority.

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 31 July 2015. 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 23 years of experience in geotechnical engineering. He has published many technical papers in geotechnical engineering. Dr Wang is a Fellow member of the Chartered Management Institution (CMI), UK and is a registered professional engineer. 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 2013. 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 18 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 is currently the Vice President of Society for Rock Mechanics and Engineering Geology (Singapore). 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 LIM YEOK HUA

Independent Director

Mr Lim Yeok Hua is our 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 29 July 2014. Mr Lim has extensive experience in audit, tax, mergers and acquisitions and financial management and consultancy, having spent more than 18 years with the Inland Revenue Authority of Singapore and three international and local accounting firms before running his own public accounting practice from 1992 to 1999. Mr Lim presently runs his own management consultancy firm and is currently also an independent director of Alpha Energy Holdings Limited (formerly known as JK Tech Holding Limited) and Kori Holdings Limited, which are listed on the SGX-ST.

Mr Lim is a fellow member of the Association of Chartered Certified Accountants, UK, a member of the Institute of Singapore Chartered Accountants, an accredited tax advisor of the Singapore Institute of Accredited Tax Professionals and a member of the Singapore Institute of Directors.

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 2013. Mr Aw is a public accountant and a partner of Foo Kon Tan LLP where he is in charge of the various departments providing advisory services. He has more than 14 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.

INCREASING
PRODUCT AWARENESS

Our concerted marketing efforts have translated into positive results as Terratech's premium-grade marble products have gained higher market recognition and acceptance in the PRC, Indonesia, Taiwan and Malaysia.

1999-2015
MILESTONES

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

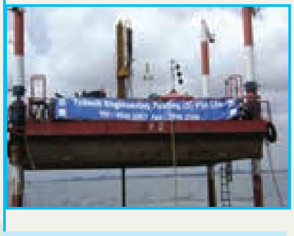
1 Aug **2000**
Tritech Malaysia registered, to expand the Group's operations in Malaysia

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

1999 2000 2001 2002 2003 2004 2005 2006

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

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

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

TRITECH GROUP LIMITED

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.

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

2007 **2008** **2009** **2010** **2011** **2012** **2014** **2015** **2016**

Aug **2008**
Tritech successfully completed its IPO

Early **2008** – mid **2009**
Global Financial Crisis

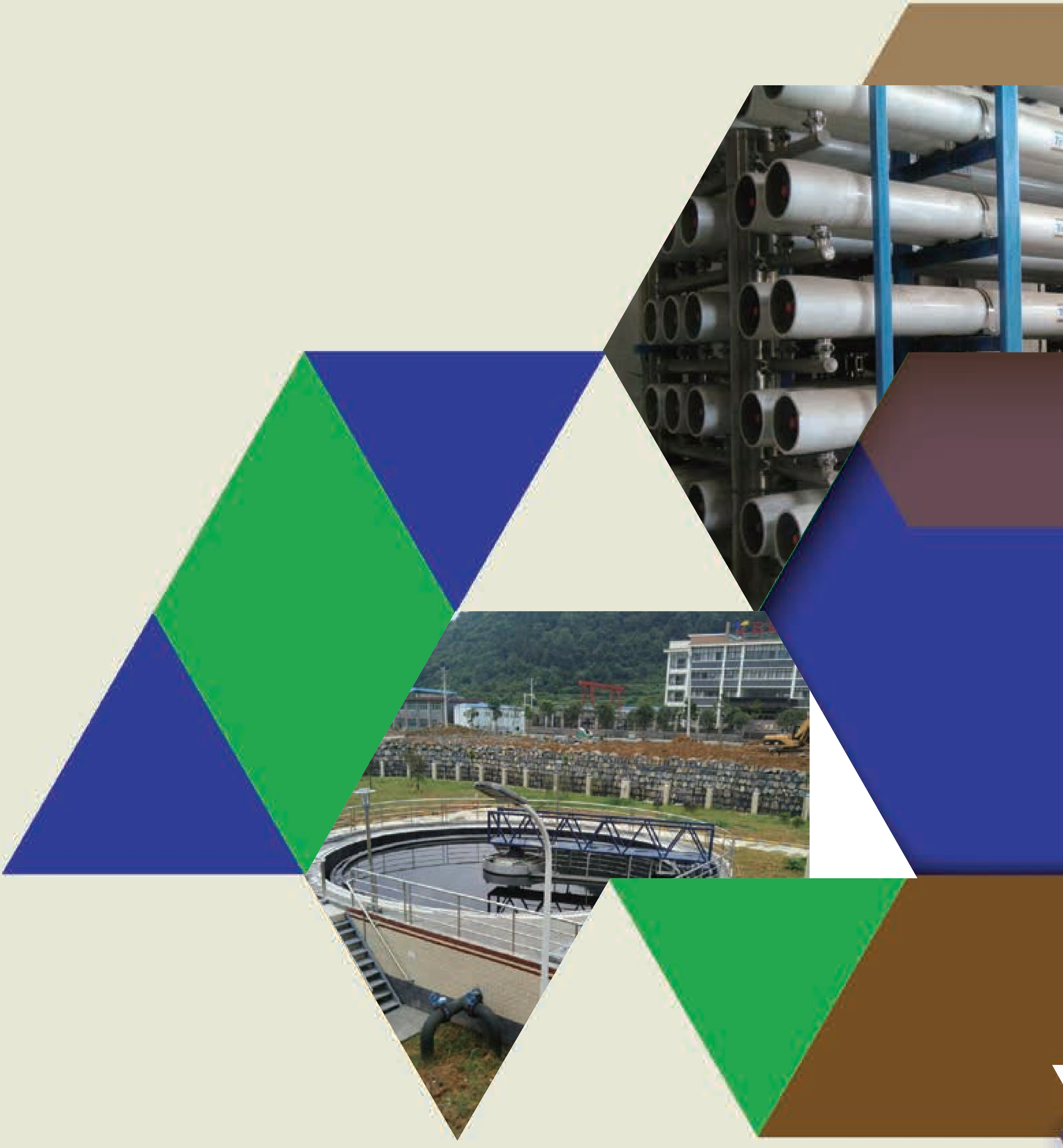
18 Jan **2010**
Registration of Tritech Qingdao

27 Aug **2010**
Registration of Tritech Water Institute

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

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



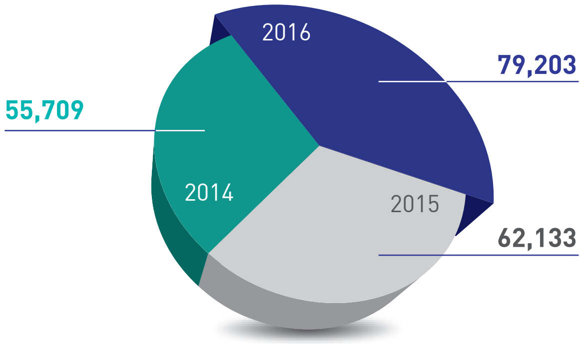
HARNESSING GROWTH **OPPORTUNITIES**

Backed by a complete range of products and services, the Group has built a unique platform for a total solution for water and environmental issues in the PRC and region.

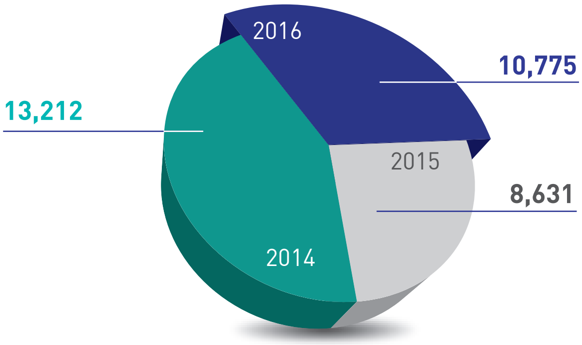

VaVie
ALKALINE WATER DISPENSER

GROUP FINANCIAL HIGHLIGHTS

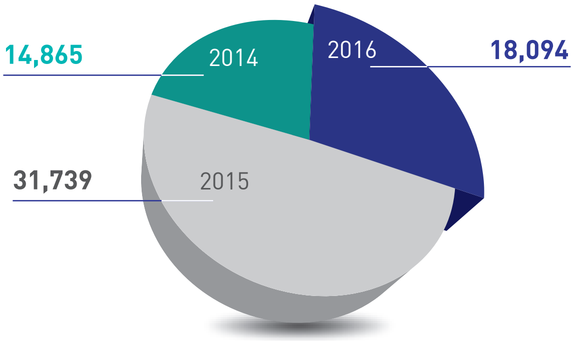
CONSOLIDATED REVENUE ($'000)



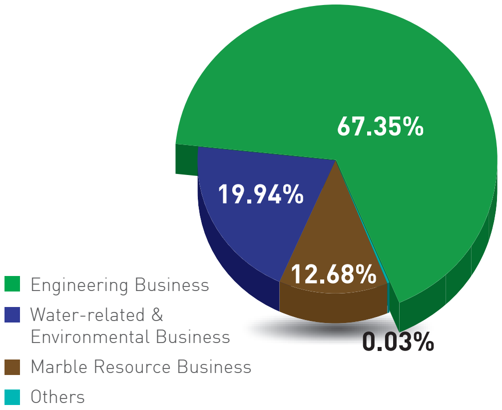
CONSOLIDATED GROSS PROFIT ($'000)



CONSOLIDATED LOSS AFTER INCOME TAX ($'000)



FY2016 REVENUE BY BUSINESS SEGMENTS (%)



	FY2016 $'000	FY2015 $'000	FY2014 $'000
At Balance Sheet Date			
Total Assets	166,386	177,019	150,292
Total Liabilities	83,431	74,249	72,532
Shareholders' Funds	74,606	93,133	77,758
Per Ordinary Share (cents)			
Loss per share	(2.12)	(3.76)	(1.93)
Financial Indicators			
Revenue growth (%)	27.5	11.5	9.3
Return on shareholders' funds (%)	(22.4)	(31.3)	(19.1)
Return on total assets (%)	(10.9)	(17.9)	(9.89)

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 2016 ("**FY2016**"), 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 FY2016.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
BOARD MATTERS		
The Board's Conduct of Affairs		
1.1	What is the role of the Board?	The Board has five (5) members and comprises the following:

Table 1.1 – Composition of the Board

Name of Director	**Designation**
Dr Wang Xiaoning	Managing Director ("**MD**")
Dr Cai Jungang	Executive Director
Professor Yong Kwet Yew	Non-Executive Chairman and Independent Director
Mr Lim Yeok Hua	Independent Director
Mr Aw Eng Hai	Independent Director

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.

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>
<tr><th colspan="4"><i>Table 1.3 – Composition of the Board Committees</i></th></tr>
<tr><th></th><th>AC</th><th>NC</th><th>RC</th></tr>
<tr><td>Chairman</td><td>Mr Lim Yeok Hua</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>Mr Lim Yeok Hua</td><td>Mr Lim Yeok Hua</td></tr>
<tr><td>Member</td><td>Mr Aw Eng Hai</td><td>Mr Aw Eng Hai</td><td>Mr Aw Eng Hai</td></tr>
<tr><td>Member</td><td>–</td><td>Dr Wang Xiaoning</td><td>–</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>Board meets on a quarterly basis, and as and when circumstances require. In FY2016, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below:
<table>
<tr><th colspan="5"><i>Table 1.4 – Board and Board Committees Meeting in FY2016</i></th></tr>
<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>Name of Director</td><td></td><td></td><td></td><td></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 Lim Yeok Hua</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>
</table>
^ By Invitation
The Company's Constitution (the "Constitution") allows for meetings to be held 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 that require the Board's approval include, amongst others, the following: • corporate or financial restructuring; • 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' statements 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 governance practices. The Company also provides training for any new first-time Director (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").
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	Briefings, updates and trainings for the Directors in FY2016 included: • The external auditors ("**EA**") had briefed the AC on changes or amendments to accounting standards; and • 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 at least one third of the Board.
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	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.
	(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.	There are no Independent Directors who has served beyond nine years since the date of his first appointment.
2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	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.

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>(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>
<p>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:</p>
<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>Core Competencies</td><td></td><td></td></tr>
<tr><td>– Accounting or finance</td><td>2</td><td>40%</td></tr>
<tr><td>– Business management</td><td>3</td><td>60%</td></tr>
<tr><td>– Relevant industry knowledge or experience</td><td>3</td><td>60%</td></tr>
<tr><td>– Strategic planning experience</td><td>3</td><td>60%</td></tr>
<tr><td>– Customer based experience or knowledge</td><td>3</td><td>60%</td></tr>
<tr><td>Gender</td><td></td><td></td></tr>
<tr><td>– Male</td><td>5</td><td>100%</td></tr>
<tr><td>– Female</td><td>0</td><td>0%</td></tr>
</table>
<p>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 Directors, Mr Lim Yeok Hua and Mr Aw Eng Hai have extensive experience in accounting and corporate governance. In addition to the Executive Directors, Independent Director Professor Yong Kwet Yew has extensive relevant industry experience, strategic planning experience and customer based knowledge.</p>
</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(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 have met at least once without the presence of management in FY2016.
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.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
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 FY2016.
Board Membership		
4.1	What are the duties of the NC?	The NC is guided by key terms of reference 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.
	(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 FY2016, 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.

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>(c) What are the specific considerations in deciding on the capacity of directors?</td><td>The considerations in assessing the capacity of Directors include the following:
• Expected and/or competing time commitments of Directors;
• Geographical location of Directors;
• Size and composition of the Board; and
• Nature and scope of the Group's operations and size.</td></tr>
<tr><td></td><td>(d) Have the Directors adequately discharged their duties?</td><td>The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, and is satisfied that all Directors have discharged their duties adequately in FY2016.</td></tr>
<tr><td>4.5</td><td>Are there alternate Directors?</td><td>The Company does not have any alternate directors.</td></tr>
<tr><td>4.6</td><td>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.</td><td>
<table>
<tr><th colspan="3"><i>Table 4.6(a) – Process for the Selection and Appointment of New Directors</i></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>
<tr><td>3.</td><td>Assessment of shortlisted candidates</td><td>• The NC would meet and interview the shortlisted candidates to assess their suitability.</td></tr>
<tr><td>4.</td><td>Appointment of director</td><td>• The NC would recommend the selected candidate to the Board for consideration and approval.</td></tr>
</table>
<table>
<tr><th colspan="3"><i>Table 4.6(b) – Process for the Re-electing Incumbent Directors</i></th></tr>
<tr><td>1.</td><td>Assessment of director</td><td>• The NC would assess the performance of the director in accordance with the performance criteria set by the Board; and
• The NC would also consider the current needs of the Board.</td></tr>
</table>
</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></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 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 and a member of the AC, NC and RC, remain as Independent Director. The Board considers Mr Aw Eng Hai to be independent for the purpose of Rule 704(4) of the Catalist Rules.

Dr. Cai Jungang will, upon re-election as a Director of the Company, remain as Executive Director.</td></tr></table></td></tr>
<tr><td>4.7</td><td>Please provide Directors' key information.</td><td>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.</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 colspan="3">Board Performance</td></tr>
<tr><td rowspan="2">5.1
5.2
5.3</td><td>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?</td><td>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:
<table>
<tr><th colspan="2"><i>Table 5 – Performance Criteria</i></th></tr>
<tr><th>Performance Criteria</th><th>Board and Board committees</th></tr>
<tr><td>Qualitative</td><td>1. Size and composition, access to information and Board processes
2. Strategic planning
3. Board accountability
4. Risk management
5. Succession planning</td></tr>
<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>
</td></tr>
<tr><td>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</td><td>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 FY2016, 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.</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></td><td>(b) Has the Board met its performance objectives?</td><td>In FY2016, in relation to the 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.</td></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><i>Table 6 – Types of information provided by key management personnel to Independent Directors</i>
<table>
<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 ratios 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>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</td></tr>
</table>
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.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
6.3	What is the role of 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. 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.
REMUNERATION MATTERS		
<u>Developing Remuneration Policies</u>		
7.1	What is the role of the RC?	The RC is guided by key terms of reference as follows: Review and recommend to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel; (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 $50,000 during the 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.

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>7.3</td><td>Were remuneration consultants engaged in the last financial year?</td><td>There were no remuneration consultants engaged by the Company in FY2016.</td></tr>
<tr><td colspan="3">Disclosure on Remuneration</td></tr>
<tr><td>9</td><td>What is the Company's remuneration policy?</td><td>The Company's remuneration policy 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.</td></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 FY2016 was 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 $250,000 to $499,999</td><td>97.9</td><td>–</td><td>–</td><td>2.1</td><td>100</td></tr>
<tr><td>Dr Cai Jungang</td><td>From $250,000 to $499,999</td><td>97.6</td><td>–</td><td>–</td><td>2.4</td><td>100</td></tr>
<tr><td>Professor Yong Kwet Yew</td><td>Below $250,000</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Mr Lim Yeok Hua</td><td>Below $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 $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>
</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>9.3</td><td>(a) Has the Company disclosed each key management personnel's remuneration, in bands of $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 CEO) in FY2016 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 $250,000</td><td>88.8</td><td>3.7</td><td>7.5</td><td>100</td></tr>
<tr><td>Dr. Hong Sze Han</td><td>Below $250,000</td><td>88.5</td><td>3.7</td><td>7.8</td><td>100</td></tr>
<tr><td>Mui Siew Yun</td><td>Below $250,000</td><td>87.0</td><td>4.8</td><td>8.2</td><td>100</td></tr>
</table>
* includes mainly employer's contributions to the Central Provident Fund.</td></tr>
<tr><td></td><td>(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</td><td>The total remuneration paid to the top 3 key management personnel in FY2016 was $404,426.</td></tr>
<tr><td>9.4</td><td>Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds $50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</td><td>Mdm 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 $100,000 to $150,000 in FY2016.</td></tr>
<tr><td>9.5</td><td>Please provide details of the employee share scheme(s).</td><td>Information on the Company's employee share scheme and performance share awards is set out on pages 44 and 45 of this Annual Report.</td></tr>
<tr><td>9.6</td><td>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</td><td>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 FY2016. 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.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?	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 9.6(b)* (see below)
	(c) Were all of these performance conditions met? If not, what were the reasons?	Yes, the RC has reviewed and is satisfied that the performance conditions were met in FY2016.
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 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 FY2016. The basis 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, IA and EA 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.

Table 9.6(b)

Performance Conditions	Short-term Incentives (such as performance bonus)	Long-term Incentives (such as share scheme)
Qualitative	1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices	1. Commitment 2. Current market and industry practices
Quantitative	1. Relative financial performance of the Group to its industry peers	1. Relative financial performance of the Group to its industry peers

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Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(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 FY2016. The Board has relied on the IA's report as set out in this Annual Report that the financial records have been properly maintained and the financial statements give a true and fair view of the financial position 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 in FY2016 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?	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; • 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 ("SGX- ST's") Listing Manual.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
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 FY2016.
12.6	Has the AC reviewed the independence of the EA?	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.
	(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.	*Table 12.6(a) – Fees Paid/Payable to the EA in FY2016* (see below)
	(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.	Notwithstanding the volume of non-audit services rendered to the Company, the AC is satisfied that the EA remains independent after considering the following: • that all relationships and/or arrangements between audit firm and the Company that may reasonably be thought to affect the EA's objectivity and as disclosed by the audit engagement partner did not impair the independence and objectivity of the EA; and • the audit engagement partner has confirmed that, in his professional judgement, the audit firm is independent.
12.7	Does the Company have a whistle-blowing policy?	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.
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.

Table 12.6(a) – Fees Paid/Payable to the EA in FY2016

	$	% of total
Audit fees	316,000	83.2
Non-audit fees – Tax advice	64,000	16.8
Total	**380,000**	**100**

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
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 Robert Tan & Co. that reports directly to the AC Chairman and administratively to the MD. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied that Robert Tan & Co. 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.
SHAREHOLDER RIGHTS AND RESPONSIBILITIES		
Communication with Shareholders		
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.
	(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.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
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.
	Is the Company paying dividends for the financial year? If not, please explain why.	The Company did not declare dividends to shareholders for FY2016 as the Group reported a loss after tax of $18.1 million in FY2016 and continues to operate under challenging conditions for its water and marble resource business segments.
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. All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of 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 FY2016 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 and compliance risks 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.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Catalist Rule</th><th>Rule Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1204(17)</td><td>Interested Persons Transaction ("IPT")</td><td>
<p>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.</p>
<p>Save as disclosed below, there were no interested persons transactions between the company or its subsidiaries and any of its interested persons in FY2016.</p>
<table>
<tr><th>Name of Interested Person</th><th>Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</th><th>Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)</th></tr>
<tr><td>Acquisition of a subsidiary, Geosoft Pte Ltd from Tritech International Holdings Pte Ltd</td><td>800,000</td><td>Not applicable</td></tr>
</table>
<p>For further details of the aforementioned transaction, please refer to the announcement made by the Company dated 22 January 2016.</p>
</td></tr>
<tr><td>1204(19)</td><td>Dealing in Securities</td><td>
<p>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.</p>
<p>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.</p>
</td></tr>
<tr><td>1204(21)</td><td>Non-sponsor fees</td><td>Non-sponsor fees of $5,000 were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. in FY2016.</td></tr>
</table>

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 2016.

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 2016 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
Lim Yeok Hua
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	800,000	1,300,000	–	–
Dr Wang Xiaoning(1)	–	500,000	310,081,554	310,081,554
Dr Cai Jungang(2)	–	500,000	–	100,000
Lim Yeok Hua	–	500,000	–	–
Aw Eng Hai	765,000	1,765,000	–	–
Performance share awards				
Professor Yong Kwet Yew	500,000	–	–	–
Dr Wang Xiaoning	500,000	–	–	–
Dr Cai Jungang(2)	500,000	–	100,000	–
Lim Yeok Hua	500,000	–	–	–
Aw Eng Hai	1,000,000	–	–	–
Bonus warrants				
Professor Yong Kwet Yew	400,000	400,000	–	–
Dr Wang Xiaoning(1)	–	–	155,040,777	155,040,777
Aw Eng Hai	382,500	382,500	–	–

Notes:

(1) Pursuant to Section 7 of the Singapore Companies Act, Dr Wang Xiaoning is deemed to have an interest in the shares of the Company held by Tritech International Holdings Pte Ltd by virtue of his shareholding interest of 30.2% in Tritech International Holdings Pte Ltd, at the beginning and end of the financial year. Tritech International Holdings Pte Ltd was placed in voluntary liquidation on 28 August 2015.

(2) 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.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2016.

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.

DIRECTORS' STATEMENT

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, a subsidiary of the Company. 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.

The Share Plan is administered by the Company's Remuneration Committee comprising Professor Yong Kwet Yew, Mr Lim Yeok Hua 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 2015 $	Converted $	Cancelled $	Balance as at 31 March 2016
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 1.4.2015	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 31.3.2016
Directors of the Company					
Professor Yong Kwet Yew	500,000	–	(500,000)	–	–
Dr Wang Xiaoning[3]	500,000	–	(500,000)	–	–
Dr Cai Jungang	500,000	–	(500,000)	–	–
Lim Yeok Hua	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)	–	–

Notes:

(3) Participation of Dr Wang Xiaoning, a controlling shareholder of the Company, in the Share Plan has been approved by the 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 have 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 have been granted at a discount.

Employee share option scheme

At an Extraordinary General Meeting of the Company held on 28 July 2010, the shareholders approved the Tritech Group Employee Share Option Scheme (the "Scheme").

The Scheme is administered by the Company's Remuneration Committee, comprising Professor Yong Kwet Yew, Mr Lim Yeok Hua and Mr Aw Eng Hai ("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 or its subsidiaries; and

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

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

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 1.4.2015	Granted during the financial year	Exercised during the financial year	Expired during the financial year	Balance at 31.3.2016	Exercise price	Exercisable period
31.3.2014	386,574,593	–	–	–	386,574,593	$0.20	1.10.2014 to 30.9.2019

DIRECTORS' STATEMENT

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:

Lim Yeok Hua (Chairman)
Professor Yong Kwet Yew
Aw Eng Hai

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

- Reviewed the audit plans of the internal and external auditors of the Group and the Company and reviewed 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;
- Reviewed 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;
- Reviewed 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;
- Met 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;
- Reviewed 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;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewing the scope and results of the audit;
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- Reviewed 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, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

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.

DIRECTORS' STATEMENT

Auditor

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

Additional disclosure requirement of the Listing Manual of the Singapore Exchange Securities Trading Limited

The auditors of the subsidiaries of the Company are disclosed in Note 11 to the financial statements. In the opinion of the board of directors and AC, Rule 715 of the Listing Manual (Section B: Rules of Catalist) of the SGX-ST has been complied with.

On behalf of the board of directors,

Dr Wang Xiaoning
Director

Dr Cai Jungang
Director

Singapore
30 June 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRITECH GROUP LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Tritech Group Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 50 to 141, which comprise the balance sheets of the Group and the Company as at 31 March 2016, 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 financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRITECH GROUP LIMITED

Report on the Financial Statements (Continued)

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

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 auditor have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

30 June 2016

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

		Group	
	Note	2016	2015
		$	$
Revenue	4	**79,202,643**	62,132,844
Cost of sales		**(68,427,207)**	(53,502,251)
Gross profit		**10,775,436**	8,630,593
Other income	5	**2,259,718**	1,048,347
Distribution costs		**(1,337,447)**	(1,636,817)
Administrative costs		**(16,110,671)**	(26,496,181)
Other operating costs		**(10,437,736)**	(11,342,461)
Finance costs	6	**(3,565,470)**	(2,692,200)
Loss before taxation	7	**(18,416,170)**	(32,488,719)
Income tax credit	8	**322,486**	750,181
Loss for the year		**(18,093,684)**	(31,738,538)
Loss attributable to:			
Owners of the Company		**(16,708,218)**	(29,177,285)
Non-controlling interests		**(1,385,466)**	(2,561,253)
		(18,093,684)	(31,738,538)
Loss per share (cents)			
Basic	9	**(2.12)**	(3.76)
Diluted	9	**(2.12)**	(3.76)

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 2016

	Group	
	2016	2015
	$	$
Loss for the year	**(18,093,684)**	(31,738,538)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising from translation of foreign operations	**(2,984,178)**	3,737,565
Items that will not be reclassified subsequently to profit or loss		
Revaluation gains (net of tax)	**–**	2,233,466
Other comprehensive income for the year, net of tax	**(2,984,178)**	5,971,031
Total comprehensive income for the year	**(21,077,862)**	(25,767,507)
Total comprehensive income attributable to:		
Owners of the Company	**(19,525,884)**	(23,392,174)
Non-controlling interests	**(1,551,978)**	(2,375,333)
	(21,077,862)	(25,767,507)

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

BALANCE SHEETS

AS AT 31 MARCH 2016

		Group		Company	
	Note	2016	2015	2016	2015
		$	$	$	$
Non-current assets					
Property, plant and equipment	10	**64,495,799**	64,347,114	**1,613,333**	1,650,456
Investments in subsidiaries	11	**–**	–	**76,891,113**	70,695,298
Land use rights	12	**2,671,996**	2,809,741	**–**	–
Mining rights	13	**14,199,610**	14,505,813	**–**	–
Intangible assets	14	**3,363,234**	3,580,577	**–**	–
Prepayments	15	**–**	377,877	**–**	–
Deferred tax assets	26	**131,995**	131,995	**–**	–
		84,862,634	85,753,117	**78,504,446**	72,345,754
Current assets					
Inventories	16	**6,870,671**	7,428,190	**–**	–
Trade and other receivables	17	**13,734,139**	13,978,237	**21,093,905**	20,352,526
Amounts due from contract customers	18	**45,760,318**	46,962,579	**–**	–
Tax recoverable		**35,014**	10	**–**	–
Prepayments	15	**2,815,297**	4,116,936	**47,079**	71,204
Cash and short-term deposits	19	**12,307,499**	18,779,569	**2,490,349**	2,029,446
		81,522,938	91,265,521	**23,631,333**	22,453,176
Current liabilities					
Trade and other payables	20	**33,872,158**	24,506,639	**4,825,296**	4,339,426
Amounts due to contract customers	18	**3,112,907**	3,893,798	**–**	–
Bank borrowings	21	**15,600,061**	21,148,518	**4,701,462**	6,104,706
Loans from shareholders	22	**6,739,164**	–	**6,290,695**	–
Finance lease payables	24	**2,634,344**	2,486,728	**–**	–
Derivative component of convertible loans	25	**104,000**	813,000	**104,000**	813,000
Provision for taxation		**758,987**	1,275,434	**170,517**	170,517
		62,821,621	54,124,117	**16,091,970**	11,427,649
Net current assets		**18,701,317**	37,141,404	**7,539,363**	11,025,527
Non-current liabilities					
Bank borrowings	21	**2,523,126**	3,805,250	**2,451,644**	3,671,358
Finance lease payables	24	**3,871,916**	2,991,231	**–**	–
Liability component of convertible loans	25	**7,680,432**	6,290,000	**7,680,432**	6,290,000
Deferred tax liabilities	26	**6,533,175**	7,039,011	**636,689**	1,005,091
		20,608,649	20,125,492	**10,768,765**	10,966,449
Net assets		**82,955,302**	102,769,029	**75,275,044**	72,404,832
Equity attributable to owners of the Company					
Share capital	27	**69,866,463**	68,173,926	**69,866,463**	68,173,926
Reserves	28	**4,739,876**	24,959,310	**5,408,581**	4,230,906
		74,606,339	93,133,236	**75,275,044**	72,404,832
Non-controlling interests		**8,348,963**	9,635,793	**–**	–
Total equity		**82,955,302**	102,769,029	**75,275,044**	72,404,832

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 2016

	Attributable to owners of the Company									
2016 **Group**	**Share capital (Note 27)**	**Equity component of convertible loans (Note 25)**	**Gain on disposals to non-controlling interests (Note 28)**	**Employee share award reserve (Note 28)**	**Asset revaluation reserve (Note 28)**	**Foreign currency translation reserve (Note 28)**	**Accumulated (losses)/ profits (Note 28)**	**Equity attributable to the owners of the Company (Note 28)**	**Non-controlling interests**	**Total equity**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
At 1 April 2015	**68,173,926**	**2,108,300**	**34,951,514**	**707,850**	**11,111,552**	**3,215,296**	**(27,135,202)**	**93,133,236**	**9,635,793**	**102,769,029**
Loss for the year	–	–	–	–	–	–	(16,708,218)	(16,708,218)	(1,385,466)	(18,093,684)
Other comprehensive income										
Exchange differences arising from translation of foreign operations	–	–	–	–	–	(2,817,666)	–	(2,817,666)	(166,512)	(2,984,178)
Total comprehensive income for the year	–	–	–	–	–	(2,817,666)	(16,708,218)	(19,525,884)	(1,551,978)	(21,077,862)
Contributions by and distributions to owners										
Acquisitions of non-controlling interests	–	–	–	–	–	–	–	–	265,148	265,148
Issuance of shares to convertible loan holders	998,987	–	–	–	–	–	–	998,987	–	998,987
Conversion of share awards	693,550	–	–	(693,550)	–	–	–	–	–	–
Cancellation of share awards	–	–	–	(14,300)	–	–	14,300	–	–	–
Total contributions by and distributions to owners	1,692,537	–	–	(707,850)	–	–	14,300	998,987	265,148	1,264,135
At 31 March 2016	**69,866,463**	**2,108,300**	**34,951,514**	**–**	**11,111,552**	**397,630**	**(43,829,120)**	**74,606,339**	**8,348,963**	**82,955,302**

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Attributable to owners of the Company										
2015 Group	**Share capital (Note 27) $**	**Equity component of convertible loans (Note 25) $**	**Gain on disposals to non-controlling interests (Note 28) $**	**Employee share award reserve (Note 28) $**	**Asset revaluation reserve (Note 28) $**	**Foreign currency translation reserve (Note 28) $**	**Accumulated (losses)/ profits (Note 28) $**	**Other reserve (Note 37) $**	**Equity attributable to the owners of the Company (Note 28) $**	**Non-controlling interests $**	**Total equity $**
At 1 April 2014, as previously reported	67,174,089	–	–	–	13,036,463	(350,700)	6,037,695	3,243,060	89,140,607	–	89,140,607
Fair value adjustments to the identifiable assets and liabilities of a subsidiary acquired in prior year (Note 37)	–	–	–	–	–	14,351	(6,876,894)	–	(6,862,543)	–	(6,862,543)
Prior year adjustments (Note 37)	–	–	–	–	(4,158,377)	–	2,881,282	(3,243,060)	(4,520,155)	–	(4,520,155)
At 1 April 2014, as restated	67,174,089	–	–	–	8,878,086	(336,349)	2,042,083	–	77,757,909	–	77,757,909
Loss for the year	–	–	–	–	–	–	(29,177,285)	–	(29,177,285)	(2,561,253)	(31,738,538)
Other comprehensive income											
Exchange differences arising from translation of foreign operations	–	–	–	–	–	3,551,645	–	–	3,551,645	185,920	3,737,565
Revaluation gains (net of tax)	–	–	–	–	2,233,466	–	–	–	2,233,466	–	2,233,466
Total comprehensive income for the year	–	–	–	–	2,233,466	3,551,645	(29,177,285)	–	(23,392,174)	(2,375,333)	(25,767,507)
Contributions by and distributions to owners											
Acquisitions of non-controlling interests	–	–	–	–	–	–	–	–	–	12,011,126	12,011,126
Issuance of ordinary shares	999,837	–	–	–	–	–	–	–	999,837	–	999,837
Disposals and deemed disposals of shares to non-controlling interests	–	–	34,951,514	–	–	–	–	–	34,951,514	–	34,951,514
Grant of equity-settled share awards to employees	–	–	–	707,850	–	–	–	–	707,850	–	707,850
Issuance of convertible loans	–	2,108,300	–	–	–	–	–	–	2,108,300	–	2,108,300
Total contributions by and distributions to owners	999,837	2,108,300	34,951,514	707,850	–	–	–	–	38,767,501	12,011,126	50,778,627
At 31 March 2015	68,173,926	2,108,300	34,951,514	707,850	11,111,552	3,215,296	(27,135,202)	–	93,133,236	9,635,793	102,769,029

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2016 **Company**	Share capital (Note 27) $	Employee share award reserve (Note 28) $	Equity component of convertible loans (Note 25) $	Asset revaluation reserve (Note 28) $	Accumulated profits (Note 28) $	Total equity $
At 1 April 2015	68,173,926	707,850	2,108,300	925,669	489,087	72,404,832
Profit, representing total comprehensive income for the year	–	–	–	–	1,871,225	1,871,225
Contributions by and distributions to owners						
Issuance of shares to convertible loan holders	998,987	–	–	–	–	998,987
Conversion of share awards	693,550	(693,550)	–	–	–	–
Cancellation of share awards	–	(14,300)	–	–	14,300	–
Total contributions by and distributions to owners	1,692,537	(707,850)	–	–	14,300	998,987
At 31 March 2016	69,866,463	–	2,108,300	925,669	2,374,612	75,275,044

STATEMENTS OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2015 Company	Share capital (Note 27) $	Employee share award reserve (Note 28) $	Equity component of convertible loans (Note 25) $	Asset revaluation reserve (Note 28) $	Other reserve (Note 37) $	Accumulated profits (Note 28) $	Total equity $
At 1 April 2014, as previously reported	67,174,089	–	–	470,431	3,243,060	5,638,185	76,525,765
Prior year adjustments (Note 37)	–	–	–	–	(3,243,060)	3,243,060	–
At 1 April 2014, as restated	67,174,089	–	–	470,431	–	8,881,245	76,525,765
Loss for the year	–	–	–	–	–	(8,392,158)	(8,392,158)
Other comprehensive income							
Revaluation gain (net of tax)	–	–	–	455,238	–	–	455,238
Total comprehensive income for the year	–	–	–	455,238	–	(8,392,158)	(7,936,920)
Contributions by and distributions to owners							
Issuance of ordinary shares	999,837	–	–	–	–	–	999,837
Grant of equity-settled share awards to employees	–	707,850	–	–	–	–	707,850
Issuance of convertible loans	–	–	2,108,300	–	–	–	2,108,300
Total contributions by and distributions to owners	999,837	707,850	2,108,300	–	–	–	3,815,987
At 31 March 2015	68,173,926	707,850	2,108,300	925,669	–	489,087	72,404,832

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 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Loss before taxation		**(18,416,170)**	(32,488,719)
Adjustments for:			
Amortisation of intangible assets	14	**308,061**	221,299
Amortisation of mining rights	13	**306,203**	235,365
Amortisation of land use rights	12	**61,051**	58,399
Write down of inventories	7	**46,038**	1,492,230
Write-off of intangible assets	14	**694,866**	–
Impairment loss on intangible assets	14	**326,198**	–
Impairment loss on plant and equipment	10	**199,063**	–
Impairment loss on trade receivables	17	**382,393**	2,039,342
Depreciation of property, plant and equipment	10	**5,787,861**	4,417,260
Fair value loss on financial liabilities designated as Fair Value Through Profit or Loss ("FVTPL")	23	**–**	3,426,039
Fair value gain on derivative component of convertible loans	25	**(709,000)**	(158,000)
Gain on disposal of plant and equipment	5	**(80,924)**	(61,506)
Interest income	5	**(40,210)**	(49,807)
Interest expenses			
– convertible loans	6	**2,032,617**	774,483
– others	6	**1,532,853**	1,917,717
Write-off of plant and equipment	7	**163,043**	250
Share-based payments	7	**–**	10,901,797
Reversal of write down of inventories	5	**(303,889)**	–
Reversal of impairment loss on other receivables	5	**(175,753)**	–
Grant of equity-settled share awards to employees	7	**–**	707,850
Operating cash flow before working capital changes		**(7,885,699)**	(6,566,001)
Decrease/(increase) in:			
Inventories		**815,370**	(4,645,215)
Trade and other receivables		**1,148,829**	(12,160,978)
Prepayments		**1,679,516**	(1,339,961)
Increase in:			
Trade and other payables		**7,986,830**	10,990,024
Cash generated from/(used in) operations		**3,744,846**	(13,722,131)
Income taxes (paid)/refund		**(125,270)**	565,116
Interest received		**40,210**	49,807
Net cash generated from/(used in) operating activities		**3,659,786**	(13,107,208)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 $	2015 $
Cash flows from investing activities			
Purchase of plant and equipment	10	**(5,378,429)**	(5,238,160)
Net cash inflow/(outflow) on acquisitions of subsidiaries	11	**57,167**	(1,993,312)
Additions to intangible assets	14	**(2,958)**	(8,000)
Proceeds from disposal of plant and equipment		**210,307**	104,905
Net cash used in investing activities		**(5,113,913)**	(7,134,567)
Cash flows from financing activities			
(Increase)/decrease in short-term deposits pledged		**(155,019)**	498,359
Proceeds from bank borrowings		**8,679,600**	7,014,459
Loans from shareholders		**6,739,164**	–
Repayments of bank borrowings		**(15,146,394)**	(1,514,168)
Repayments of finance lease obligations		**(2,926,328)**	(2,975,276)
Proceeds from issuance of convertible loans		**–**	10,000,000
Proceeds from issuance of shares to non-controlling interests		**–**	10,005,000
Share issue expenses of a subsidiary		**–**	(1,493,510)
Interest paid		**(1,532,853)**	(1,355,589)
Net cash (used in)/generated from financing activities		**(4,341,830)**	20,179,275
Net change in cash and cash equivalents		**(5,795,957)**	(62,500)
Cash and cash equivalents at beginning of financial year		**11,525,159**	11,602,636
Currency translation differences		**(467,345)**	(14,977)
Cash and cash equivalents at end of financial year (Note 19)		**5,261,857**	11,525,159

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 2016

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 Dollars ("SGD" or "$") as indicated.

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 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

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**
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
(b) Amendments to FRS 19 *Employee Benefits*	1 January 2016
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 7 *Disclosure Initiatives*	1 January 2017
Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018
FRS 115 *Revenue from Contracts with Customers*	1 January 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Standards issued but not yet effective (Continued)

Except for FRS 109 and FRS 115, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109 and FRS 115 is described below.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, 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 principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

The Group is currently evaluating the impact of the changes and assessing whether the adoption of FRS 109 and FRS 115 will have an impact on the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

(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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Basis of consolidation and business combinations (Continued)

(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.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is 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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 owners' 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 except for leasehold properties are measured at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The accounting policy for borrowing costs is set out in Note 2.23. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Leasehold properties are measured at fair value less accumulated depreciation 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Property, plant and equipment (Continued)

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
Mining infrastructure	–	33 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.

2.9 Stripping activities

Stripping activity asset shall be recognised if, and only if, all of the following are met:

(a) it is probable that the future economic benefit (improved access to the marble reserves) associated with the stripping activity will flow to the Group;

(b) the Group can identify the component of the ore body for which access has been improved; and

(c) the costs relating to the stripping activity associated with that component can be measured reliably.

When the costs of the stripping activity asset and the inventories produced are not separately identifiable, the Group shall allocate the production stripping costs between the inventories produced and the stripping activity asset by using an allocation basis that is based on quantities of waste removed in stripping activity and inventory production.

The stripping activity asset is included in mining infrastructure and shall be depreciated in accordance with the policy as disclosed in Note 2.8.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 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.

2.11 Mining rights

Mining rights is initially measured at cost. Following initial recognition, mining rights is measured at cost less accumulated amortisation and accumulated impairment losses. Mining rights includes the cost of sub-lease of the limestone quarry. The mining rights is amortised by the Units-of-Production ("UOP") method based on the proven and probable mining reserves.

Mining rights is written off to the profit or loss if the mining property is abandoned.

2.12 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 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

2.13 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Impairment of non-financial assets (Continued)

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.

2.14 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.

2.15 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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Financial instruments (Continued)

(a) Financial assets (Continued)

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

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities 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 liabilities are recognised in profit or loss.

(ii) Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Financial instruments (Continued)

(b) Financial liabilities (Continued)

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.

2.16 Convertible bonds

Conversion option of convertible bonds issued by the Group which is settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity instruments is a conversion option derivative which is not closely related to the liability component of the convertible bonds. The Group has designated the instruments in their entirety as financial liabilities carried at fair value through profit or loss. On initial recognition and in subsequent periods, the convertible bonds are measured at fair value with changes in fair value recognised directly in profit or loss in the period in which they arise.

Interest expense on financial liabilities designated at fair value through profit or loss is included in finance costs in Note 6.

When the conversion option is exercised, the carrying amounts of the liability and embedded derivative components are transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to accumulated profits.

2.17 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 2.15.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Convertible loans (Continued)

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.

2.18 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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 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.

2.20 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.

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.

2.21 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 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.

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.

2.23 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.

2.24 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 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.

2.25 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.

2.26 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Leases (Continued)

(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 2.27(c). Contingent rents are recognised as revenue in the period in which they are earned.

2.27 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) Rental income

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

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Dividend income

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.28 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.

2.29 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.29 Taxes (Continued)

(b) Deferred tax (Continued)

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 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.

2.31 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.

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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

3.1 Judgments made in applying accounting policies (Continued)

(a) Taxes (Continued)

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.

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) Impairment of trade and other receivables

The management establishes impairment losses of receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In assessing impairment, the management considers its historical experience and changes to its customers' financial position. If the financial conditions of receivables were to deteriorate, resulting in impairment of their ability to make the required payments, impairment loss may be required. The carrying amounts of the Group's and the Company's trade and other receivables as at 31 March 2016 were $13,734,139 (2015: $13,978,237) and $21,093,905 (2015: $20,352,526) respectively.

(b) Inventory valuation

Inventory is valued at the lower of actual cost and net realisable value. Market price is generally the merchandise's quoted selling price in the market. Management reviews the Group's inventory level in order to identify slow-moving and obsolete merchandise and identifies items of inventory which have a market price that is lower than its carrying amount. Management then estimates the amount of write down of its inventories as inventory loss. Changes in demands levels, technological development and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 March 2016 was $6,870,671 (2015: $7,428,190).

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(c) Amortisation and depreciation of mining rights and infrastructure

Engineering estimates of the Group's quarry reserves are inherently imprecise and represent only approximate amounts because of the significant judgments involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated quarry reserves can be designated as "proved" and "probable". Proved and probable quarry reserve estimates are updated at regular intervals taking into account recent production and technical information of the quarry. In addition, as prices and cost levels change from year to year, the estimate of proved and probable quarry reserves also changes. Such change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in the amortisation and depreciated rates calculated using UOP method. Changes in the estimate of quarry reserves are also taken into account in impairment assessments of non-current assets.

Accordingly, there may be material adjustments made to the carrying amount of the respective assets. As at 31 March 2016, the carrying amounts of the mining rights and infrastructure are $14,199,610 and $1,289,767 (2015: $14,505,813 and $997,977) (Notes 13 and 10) respectively. The amortisation and depreciation charges for the financial year ended 31 March 2016 for mining rights and mining infrastructure are $306,203 and $71,745 (2015: $235,365 and $35,385) (Notes 13 and 10) respectively.

(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 34 to the financial statements.

4. REVENUE

	Group	
	2016	**2015**
	$	**$**
Contract revenue	**69,675,667**	59,339,423
Sales of goods	**9,356,995**	2,793,421
Services rendered	**169,981**	–
	79,202,643	62,132,844

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

5. OTHER INCOME

	Group	
	2016	**2015**
	$	**$**
Accounting fees income charged to a corporate shareholder and a related party	**4,167**	25,300
Compensation claims	**68,939**	203,889
Fair value gain on derivative component of convertible loans	**709,000**	158,000
Gain on disposal of plant and equipment	**80,924**	61,506
Government grants	**304,913**	134,061
Interest income	**40,210**	49,807
Rental income	**118,626**	151,069
Reversal of write down of inventories	**303,889**	–
Reversal of impairment loss on other receivables	**175,753**	–
Sundry income	**453,297**	264,715
	2,259,718	1,048,347

6. FINANCE COSTS

	Group	
	2016	**2015**
	$	**$**
Interests on:		
– Bank overdraft	**148,114**	190,125
– Convertible bonds (Note 23)	**–**	657,471
– Convertible loans (Note 25)	**2,032,617**	774,483
– Finance leases	**216,903**	166,651
– Term loans	**868,708**	665,141
– Fixed advance facility loan	**235,150**	198,727
– Bank guarantee charges	**1,269**	1,328
– Loans from shareholders	**44,000**	–
– Mortgage loan	**18,709**	18,036
– Trust receipts	**–**	20,238
	3,565,470	2,692,200

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

7. LOSS BEFORE TAXATION

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

	Group	
	2016	2015
	$	$
Cost of sales		
Cost of inventories	**16,851,473**	7,037,705
Depreciation of property, plant and equipment	**3,498,054**	1,948,953
Subcontractor costs	**13,779,273**	8,760,449
Employee benefits expense	**24,436,353**	23,930,527
Distribution costs		
Depreciation of property, plant and equipment	**242,056**	240,148
Upkeep of motor vehicles	**314,556**	6,212
Employee benefits expense	**428,980**	299,086
Administrative costs		
Audit fees		
– Auditors of the Company	**411,845**	286,300
– Other auditors	**–**	196,429
Non-audit fees		
– Auditors of the Company	**64,000**	58,400
– Other auditors	**–**	356,244
Depreciation of property, plant and equipment	**1,367,476**	1,483,900
Initial Public Offering expenses of a subsidiary	**–**	1,868,429
Operating lease expenses	**902,943**	646,316
Professional fees	**734,187**	1,296,043
Share-based payments (Note 11(c) and Note 27)	**–**	10,901,797
Employee benefits expense	**9,108,402**	6,938,150

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

7. LOSS BEFORE TAXATION (Continued)

	Group	
	2016 $	2015 $
Other operating costs		
Amortisation of intangible assets	**308,061**	221,299
Amortisation of land use rights	**61,051**	58,399
Amortisation of mining rights	**306,203**	235,365
Depreciation of property, plant and equipment	**680,275**	744,259
Fair value loss on financial liabilities designated as FVTPL	**–**	3,426,039
Foreign exchange loss, net	**374,221**	564,002
Write-off of plant and equipment	**163,043**	250
Write-off of intangible assets	**694,866**	–
Impairment loss on intangible assets	**326,198**	–
Impairment loss on plant and equipment	**199,063**	–
Operating lease expenses	**1,651,077**	1,526,622
Impairment losses on trade receivables (Note 17)	**382,393**	2,039,342
Unabsorbed manufacturing overhead	**1,481,153**	501,538
Write down of inventories	**46,038**	1,492,230
Employee benefits expense	**2,467,999**	2,964,517

Employee benefits expense comprise the following:

	Group	
	2016 $	2015 $
Employee benefits expense		
– salaries, bonuses and other benefits	**31,142,668**	28,501,639
– contributions to the defined contribution plans	**5,299,066**	4,922,791
– employee share award scheme	**–**	707,850
	36,441,734	34,132,280

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

8. INCOME TAX CREDIT

Major components of income tax credit

The major components of income tax credit for the financial years ended 31 March 2016 and 2015 are:

	Group	
	2016	2015
	$	$
Consolidated income statement:		
Current income tax:		
– current income taxation	**520,304**	(44,223)
– overprovision in respect of previous years	**(210,134)**	(676,116)
	310,170	(720,339)
Deferred income tax:		
– movement of temporary differences	**(632,656)**	276,799
– overprovision in respect of previous years	**–**	(306,641)
	(632,656)	(29,842)
Income tax credit recognised in profit or loss	**(322,486)**	(750,181)
Consolidated statement of comprehensive income:		
Deferred tax expense related to other comprehensive income:		
– Net surplus on revaluation of leasehold properties	**–**	680,861
Consolidated statement of changes in equity:		
Deferred tax expense charged directly to equity:		
– Convertible loans	**–**	630,700

Domestic income tax is calculated at 17% (2015: 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% (2015: 25%).

8. INCOME TAX CREDIT (Continued)

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 rate for the financial years ended 31 March 2016 and 2015 are as follows:

	Group	
	2016 $	2015 $
Loss before taxation	**(18,416,170)**	(32,488,719)
Tax at Singapore statutory tax rate of 17% (2015: 17%)	**(3,130,749)**	(5,523,082)
Adjustments:		
Effect of different tax rates of overseas operations	**(826,088)**	(672,187)
Non-deductible expenses	**187,289**	5,292,889
Income not subject to taxation	**(349,805)**	(568,717)
Effect of partial tax exemption	**(18,140)**	(36,087)
Overprovision in respect of prior financial years	**(210,134)**	(982,757)
Deferred tax assets not recognised	**4,116,137**	1,911,413
Tax incentive under Productivity and Innovation Credit	**(22,559)**	(71,230)
Corporate income tax rebates	**–**	(40,000)
Others	**(68,437)**	(60,423)
Income tax credit recognised in profit or loss	**(322,486)**	(750,181)

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

	Group	
	2016 $	2015 $
Unutilised tax losses	**46,655,802**	32,457,139
Unabsorbed capital allowances	**916,632**	491,106
	47,572,434	32,948,245

As at 31 March 2016, 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. The tax losses have no expiry date.

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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	
	2016	**2015**
	$	**$**
Loss for the year, attributable to owners of the Company for basic and diluted loss per share	**(16,708,218)**	(29,177,285)
Weighted average number of ordinary shares on issue applicable to basic and diluted loss per share	**787,527,951**	775,267,348

Diluted loss per share for the financial years ended 31 March 2016 and 31 March 2015 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive for the years presented.

10. PROPERTY, PLANT AND EQUIPMENT

Group **2016**	**Leasehold properties** **$**	**Motor vehicles** **$**	**Furniture, fittings and fixtures** **$**	**Machinery, instrumentation and tools** **$**	**Office equipment** **$**	**Renovation** **$**	**Construction in progress** **$**	**Mining infrastructure** **$**	**Total** **$**
Cost or valuation									
At 1 April 2014	28,998,579	2,275,254	522,464	36,454,642	1,688,425	610,259	433,988	1,126,057	72,109,668
Additions	–	758,539	83,284	7,069,221	670,413	–	919,526	59,178	9,560,161
Acquisition of a subsidiary (Note 11)	–	–	24,528	14,591	–	–	–	–	39,119
Reclassification	518,963	–	–	(659,638)	140,675	–	–	–	–
Disposals	–	(92,068)	–	(40,720)	(1,280)	–	–	–	(134,068)
Written off	–	–	–	–	(668)	–	–	–	(668)
Currency translation differences	2,768,887	(100,270)	(2,180)	1,038,464	(171,054)	–	56,655	(68,368)	3,522,134
Revaluation surplus	2,914,327	–	–	–	–	–	–	–	2,914,327
Elimination of accumulated depreciation on revaluation	(612,460)	–	–	–	–	–	–	–	(612,460)
At 31 March 2015 and 1 April 2015	34,588,296	2,841,455	628,096	43,876,560	2,326,511	610,259	1,410,169	1,116,867	87,398,213
Additions	–	486,514	27,020	7,696,997	227,316	2,250	272,420	620,541	9,333,058
Acquisition of a subsidiary (Note 11)	–	–	–	–	13,776	–	–	–	13,776
Disposals	–	(241,144)	(10,970)	(570,762)	(2,199)	–	–	–	(825,075)
Written off	–	(62,621)	–	(25,683)	(2,901)	–	–	(182,230)	(273,435)
Currency translation differences	(2,197,585)	(54,892)	(3,583)	(592,547)	(58,425)	–	(80,845)	(112,823)	(3,100,700)
At 31 March 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

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10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group 2016	Leasehold properties $	Motor vehicles $	Furniture, fittings and fixtures $	Machinery, instrumentation and tools $	Office equipment $	Renovation $	Construction in progress $	Mining infrastructure $	Total $
Representing:									
At 31 March 2016									
Cost	–	2,969,312	640,563	50,384,565	2,504,078	612,509	1,601,744	1,442,355	60,155,126
Valuation	32,390,711	–	–	–	–	–	–	–	32,390,711
	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
At 31 March 2015									
Cost	–	2,841,455	628,096	43,876,560	2,326,511	610,259	1,410,169	1,116,867	52,809,917
Valuation	34,588,296	–	–	–	–	–	–	–	34,588,296
	34,588,296	2,841,455	628,096	43,876,560	2,326,511	610,259	1,410,169	1,116,867	87,398,213
Accumulated depreciation and impairment loss									
At 1 April 2014	–	1,259,347	240,376	16,405,397	833,031	406,350	–	88,437	19,232,938
Depreciation	612,460	402,210	71,439	2,885,322	346,609	63,835	–	35,385	4,417,260
Reclassification	–	–	–	(70,310)	70,310	–	–	–	–
Disposals	–	(83,675)	–	(6,798)	(196)	–	–	–	(90,669)
Written off	–	–	–	–	(418)	–	–	–	(418)
Currency translation differences	–	11,976	(716)	149,339	(51,219)	–	–	(4,932)	104,448
Elimination of accumulated depreciation on revaluation	(612,460)	–	–	–	–	–	–	–	(612,460)
At 31 March 2015 and 1 April 2015	–	1,589,858	311,099	19,362,950	1,198,117	470,185	–	118,890	23,051,099
Depreciation	741,524	421,561	64,569	4,085,571	370,522	32,369	–	71,745	5,787,861
Impairment loss	–	(104,525)	–	(16,935)	(77,603)	–	–	–	(199,063)
Disposals	–	(234,301)	(7,008)	(453,681)	(702)	–	–	–	(695,692)
Written off	–	(62,248)	–	(15,346)	(2,820)	–	–	(29,978)	(110,392)
Currency translation differences	(31,411)	182,201	(1,176)	(53,572)	128,252	–	–	(8,069)	216,225
At 31 March 2016	710,113	1,792,546	367,484	22,908,987	1,615,766	502,554	–	152,588	28,050,038
Net carrying amount									
At 31 March 2016	31,680,598	1,176,766	273,079	27,475,578	888,312	109,955	1,601,744	1,289,767	64,495,799
At 31 March 2015	34,588,296	1,251,597	316,997	24,513,610	1,128,394	140,074	1,410,169	997,977	64,347,114

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company	**Office equipment**	**Leasehold property**	**Total**
	$	**$**	**$**
Cost or valuation			
At 1 April 2014	1,370	1,126,000	1,127,370
Revaluation surplus	–	548,478	548,478
Elimination of accumulated depreciation on revaluation	–	(24,478)	(24,478)
At 31 March 2015, 1 April 2015 and 31 March 2016	1,370	1,650,000	1,651,370
Representing:			
At 31 March 2015 and 31 March 2016			
Cost	1,370	–	1,370
Valuation	–	1,650,000	1,650,000
	1,370	1,650,000	1,651,370
Accumulated depreciation			
At 1 April 2014	457	–	457
Charge for the year	457	24,478	24,935
Elimination of accumulated depreciation on revaluation	–	(24,478)	(24,478)
At 31 March 2015 and 1 April 2015	914	–	914
Charge for the year	456	36,667	37,123
At 31 March 2016	1,370	36,667	38,037
Net carrying amount			
At 31 March 2016	–	1,613,333	1,613,333
At 31 March 2015	456	1,650,000	1,650,456

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	
	2016	**2015**
	$	**$**
Office equipment	**20,060**	–
Motor vehicles	**942,621**	523,613
Machinery, instrumentation and tools	**10,343,729**	3,798,388
	11,306,410	4,322,001

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Finance leased assets are pledged as a security for the related finance lease payables (Note 23).

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 $26,160,577 and $1,613,333 respectively (2015: $28,640,506 and $1,650,000 respectively) have been pledged to secure certain bank borrowings (Note 21).

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

	Group	
	2016	**2015**
	$	**$**
Additions of plant and equipment	**9,333,058**	9,560,161
Acquired under finance lease arrangements	**(3,954,629)**	(4,322,001)
Cash payments to acquire plant and equipment	**5,378,429**	5,238,160

As at 31 March 2016 and 2015, 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 $1,138,553 (2015: $1,255,050) are being held in trust for the Group by a key management personnel of a subsidiary.

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10. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group's leasehold properties were last valued as at 31 March 2015 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. The valuations conformed to International Valuation Standards. A description of the valuation techniques and inputs used were provided in Note 34.

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	
	2016	2015	2016	2015
	$	$	$	$
Leasehold properties	**17,204,102**	18,825,041	**533,522**	547,148

11. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016	2015
	$	$
Shares, at cost:		
Quoted equity shares	**19,424,716**	19,424,716
Unquoted equity shares	**58,415,813**	56,811,086
	77,840,529	76,235,802
Impairment losses	**(949,416)**	(5,540,504)
	76,891,113	70,695,298
Fair value of quoted equity shares, for which there is a published price quotation	**49,000,000**	71,000,000

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

	Company	
	2016	2015
	$	$
At 1 April	**5,540,504**	540,504
Impairment loss	**464,209**	5,000,000
Write-off	**(5,055,297)**	–
At 31 March	**949,416**	5,540,504

11. INVESTMENTS IN SUBSIDIARIES (Continued)

The Group undertook a restructuring exercise during the financial year to group all the subsidiaries of the Group engaged or involved in the water and environment business of the Group under a single intermediate holding company. Consequently, Tritech Qingdao Environmental Group Co., Ltd (formerly known as Tritech (Qingdao) Membrane Industry Co., Ltd) became the direct holding company of all the subsidiaries of the Group engaged or involved in the water-related and environmental business.

Details of subsidiaries as at 31 March 2016 and 2015 are as follows:

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest 2016 %	Proportion of ownership interest 2015 %
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	**100**	100
Tritech Consultants Pte. Ltd.[1]	Singapore	Architectural, engineering and professional consultancy services	**100**	100
Tritech Geotechnic Pte. Ltd.[1]	Singapore	Soil investigation, treatment and stabilisation (including grouting and grunting)	**100**	100
Tritech Instruments Pte. Ltd.[1]	Singapore	Supply, installation and monitoring of all kinds of engineering instruments	**100**	100
Presscrete Engineering Pte. Ltd.[1]	Singapore	Civil and structural engineering services	**100**	100
Terra Tritech Engineering (M) Sdn. Bhd.[3]	Malaysia	Providing civil engineering services	**100**	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	**62.9**	62.9
Tritech (Qingdao) Environmental Group Co., Ltd. (formerly known as Tritech (Qingdao) Membrane Industry Co., Ltd.)[4]	PRC	Production and sale of membranes for use in waste treatment systems and water treatment systems	**100**	100

11. INVESTMENTS IN SUBSIDIARIES (Continued)

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest 2016 %	Proportion of ownership interest 2015 %
Held by the Company: (Continued)				
Geosoft Pte. Ltd.(6)	Singapore	Research and development work relating to geotechnical engineering software and systems, and leasing of equipment	**54**	–
Anhui Clean Environment Biotechnology Co., Ltd. ("Anhui")(4)	PRC	Waste water treatment	**–**	100
Beijing Wisetec Technologies Co., Ltd.(4)	PRC	Business of designing, developing, services and sale of electronic products	**–**	100
Tritech Water Technologies Pte. Ltd.(1)	Singapore	Manufacture of bottled and alkaline drinking water, product development and innovation centre	**–**	100
SysEng (S) Pte. Ltd.(1)	Singapore	Design and development of automation and engineering system, manufacturer, and provision of remote water monitoring services	**–**	100
Held through Terratech Group Limited:				
Terratech Resources Pte. Ltd.(1)	Singapore	General wholesale trade (including general importers and exporters)	**62.9**	62.9
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	**62.9**	62.9
Qingdao Terratech Resources Co., Ltd.(4)(5)	PRC	Wholesale and importer of mineral resources	**62.9**	62.9
Shaanxi Hengyu Architectural Interior Engineering Co., Ltd. ("Hengyu")(4)(5)	PRC	Planning, consulting, architectural and engineering design	**50.3****	50.3**

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11. INVESTMENTS IN SUBSIDIARIES (Continued)

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest	
			2016 %	**2015 %**
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**	–
Beijing Wisetec Technologies Co., Ltd.(4)	PRC	Business of designing, developing, services and sale of electronic products	**100**	–
Tritech Water Technologies Pte. Ltd.(1)	Singapore	Manufacture of bottled and alkaline drinking water, product development and innovation centre	**100**	–
SysEng (S) Pte. Ltd.(1)	Singapore	Design and development of automation and engineering system, manufacturer, and provision of remote water monitoring services	**100**	–

(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

** Group's effective shareholdings

11. INVESTMENTS IN SUBSIDIARIES (Continued)

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 $464,209 (2015: $5,000,000) 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 2016:				
Terratech Group Limited	Cayman Islands	**37.1**	**(1,385,466)**	**8,348,963**
31 March 2015:				
Terratech Group Limited	Cayman Islands	37.1	(2,561,253)	9,635,793

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	
	2016 $	2015 $
Current		
Assets	**7,281,474**	9,306,812
Liabilities	**(4,144,840)**	(2,510,157)
Net current assets	**3,136,634**	6,796,655
Non-current		
Assets	**20,933,571**	21,950,796
Liabilities	**(2,441,306)**	(2,522,149)
Net non-current assets	**18,492,265**	19,428,647
Net assets	**21,628,899**	26,225,302

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11. INVESTMENTS IN SUBSIDIARIES (Continued)

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

Summarised statement of comprehensive income

	Terratech Group Limited	
	2016	**2015**
	$	**$**
Revenue	**10,041,429**	4,415,400
Loss before tax	**(3,735,415)**	(12,548,009)
Tax (expense)/credit	**(406,299)**	83,533
Loss after tax	**(4,141,714)**	(12,464,476)
Other comprehensive income	**(449,254)**	516,403
Total comprehensive income	**(4,590,968)**	(11,948,073)

Other summarised information

	Terratech Group Limited	
	2016	**2015**
	$	**$**
Net cash flows used in operations	**(1,053,161)**	(4,764,539)
Acquisition of significant plant and equipment	**701,059**	807,567

Acquisitions of subsidiaries

(a) Acquisition of Geosoft Pte. Ltd. ("Geosoft") during the financial year ended 31 March 2016

On 22 January 2016, the Group acquired 54% equity interest in Geosoft. The acquisition will enhance the Company's suite of products and services regionally and internationally in the geotechnical market and place the Company in an advantageous position due to the limited availability of geotechnical 3D FEA analysis programs in the market, and reduce the Group's engineering business's reliance on the provision of labour-intensive services.

The Group has elected to measure the non-controlling interest of Geosoft at the non-controlling interest's proportionate share of Geosoft's net identifiable assets.

11. INVESTMENTS IN SUBSIDIARIES (Continued)

Acquisitions of subsidiaries (Continued)

(a) Acquisition of Geosoft Pte. Ltd. ("Geosoft") during the financial year ended 31 March 2016 (Continued)

The provisional fair values of the identifiable assets and liabilities of the high precision machining business as at the acquisition date were:

	Provisional fair value recognised on acquisition **$**
Property, plant and equipment	13,776
Intangible assets – software	746,000
Trade receivables	41,105
Cash and bank balances	57,167
	858,048
Trade and other payables	(154,611)
Deferred tax liabilities	(127,030)
	(281,641)
Total identifiable net assets	576,407
Non-controlling interest measured at its proportionate share of the subsidiary's net identifiable assets	(265,147)
	311,260
Purchase consideration	800,000
Goodwill arising from acquisition	488,740

Consideration transferred for the acquisition of Geosoft	
Deferred cash settlement	800,000

Effect of the acquisition of Geosoft on cash flows	
Cash and bank balances acquired, representing net cash inflow on acquisition	57,167

Trade receivables acquired

The gross contractual trade receivables approximate their fair values of $41,105 as at acquisition date. It is expected that the full contract amount of the trade receivables can be collected in the future.

11. INVESTMENTS IN SUBSIDIARIES (Continued)

Acquisitions of subsidiaries (Continued)

(a) Acquisition of Geosoft Pte. Ltd. ("Geosoft") during the financial year ended 31 March 2016 (Continued)

Goodwill arising from acquisition

The goodwill of $488,740 comprises the value of strengthening the Group's market position in the geotechnical market expected to arise from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

Impact of the acquisition on profit and loss

Since the acquisition, Geosoft has contributed $38,400 to the Group's revenue and a profit of $31,137 to the Group's loss for the financial year ended 31 March 2016.

It is impracticable to disclose the information regarding the combination if it had taken place at the beginning of the year since the Group has no full access to the accounting books and records of Geosoft for the period prior to the date of the acquisition.

Provisional accounting of the acquisition of Geosoft

As at 31 March 2016, the fair values of the net identifiable assets have been determined on a provisional basis as the purchase price allocation exercise has not been finalised on the date the financial statements were authorised for issue.

Goodwill arising from this acquisition and the carrying amounts of other net identifiable assets will be adjusted accordingly on a retrospective basis when the purchase price allocation exercise is finalised.

(b) Acquisition of Shaanxi Hengyu Architectural Interior Engineering Co., Ltd. ("Hengyu") during the financial year ended 31 March 2015

On 16 December 2014, the Group acquired 80% equity interest in Hengyu whose principal activities are those of planning, consulting, architectural and engineering design in the PRC.

The acquisition of Hengyu was reported based on provisional amounts in the Group's financial statements for the financial year ended 31 March 2015. The allocation of the purchase price to the identifiable assets and liabilities was completed in the current financial year and there is no change to the fair values of the identifiable assets and liabilities of Hengyu that was determined provisionally in the previous financial year.

11. INVESTMENTS IN SUBSIDIARIES (Continued)

Acquisitions of subsidiaries (Continued)

(b) Acquisition of Shaanxi Hengyu Architectural Interior Engineering Co., Ltd. ("Hengyu") during the financial year ended 31 March 2015 (Continued)

The fair values of the identifiable assets and liabilities of Hengyu as at the acquisition date were:

	Fair values recognised on date of acquisition **$**
Property, plant and equipment	39,119
Trade receivables	1,343,903
Cash and bank balances	121,530
	1,504,552
Trade and other payables	(235,409)
Bank borrowings	(328,950)
	(564,359)
Total identifiable net assets	940,193
Non-controlling interest measured at its proportionate share of the subsidiary's net identifiable assets	(188,039)
	752,154
Purchase consideration	2,114,842
Goodwill arising from acquisition	1,362,688

<u>Effect of the acquisition of Hengyu on cash flows</u>

Consideration settled in cash	2,114,842
Less: Cash and bank balances acquired	(121,530)
Net cash outflow on acquisition	1,993,312

11. INVESTMENTS IN SUBSIDIARIES (Continued)

Disposal of equity interest in a subsidiary

(c) Disposal of equity interest in a subsidiary to non-controlling interests for the financial year ended 31 March 2015

On 11 June 2014, the Company convened an Extraordinary General Meeting ("EGM") and obtained the approval for the proposed restructuring and spin-off of the Company's subsidiaries in the Marble Business in connection with the proposed listing of the Terratech Group Limited ("Terratech") on the Catalist of SGX-ST.

On 20 June 2014, the Company announced that it had entered into an agreement (the "Restructuring Agreement") with Terratech and Terratech Resources Pte Ltd ("Terratech Resources") in connection with the Proposed Restructuring. Pursuant to the terms and conditions of the Restructuring Agreement, the proposed restructuring involved, inter alia, the following:

(i) Terratech agreed to assume the liability of Terratech Resources to repay or procure a conversion of the principal and accrued interest (the "Conversion Amount") in respect of the convertible bonds (the "Bonds") into such number of new Terratech shares (the "Conversion Shares"), in accordance with the terms of the convertible bond agreement (the "CBA"), and in settlement and satisfaction of the corresponding amount deemed due and owing by Terratech Resources to Terratech as a result thereof (the "Convertible Bonds Settlement Amount"), Terratech Resources had allotted and issued 156,772,600 new ordinary shares in the capital of Terratech Resources to Terratech (the "Convertible Bonds Settlement Shares");

(ii) the Company agreed to subscribe for and Terratech Resources had allotted and issued 84,360,000 new ordinary shares in the capital of Terratech Resources (the "Shareholder's Loans Shares"), by way of capitalisation of advances and loans of an aggregate principal amount of $8.436 million made by the Company to Terratech Resources (the "Shareholder's Loans");

(iii) the Company sold, and Terratech purchased, the entire equity interest legally and beneficially owned by the Company in Terratech Resources, comprising:

   a. 4,301,075 shares in the share capital of Terratech Resources held by the Company; and

   b. the Shareholder's Loans Shares held by the Company pursuant to capitalisation of the Shareholder's Loans as described in paragraph (b) above, and amounting to 36.12% of the enlarged share capital of Terratech Resources following the issuance of the Convertible Bonds Settlement Shares and the Shareholder's Loans Shares, for a consideration of $4,299,999.99 (the "Terratech Acquisition Consideration"); and

(iv) the Terratech Acquisition Consideration had been settled and satisfied by way of the allotment and issue of 429,999,999 new Terratech Shares, credited as fully paid up, to the Company (the "Consideration Shares").

11. INVESTMENTS IN SUBSIDIARIES (Continued)

Disposal of equity interest in a subsidiary (Continued)

(c) ***Disposal of equity interest in a subsidiary to non-controlling interests for the financial year ended 31 March 2015*** (Continued)

Pursuant to the completion of the proposed restructuring as aforesaid, Terratech now holds 100% of the enlarged issued and paid-up share capital of Terratech Resources of $24,543,367, comprising 245,433,675 ordinary shares in the share capital of Terratech Resources, and has become the immediate holding company of the Marble Business.

On 21 July 2014, the Company announced that Terratech had launched its Initial Public Offering ("IPO") in Singapore. The IPO was for the placement of 108,700,000 Placement Shares comprising 43,500,000 New Shares and 65,200,000 Vendor Shares at $0.23 for each Placement Share, payable in full on application. On 30 July 2014, Terratech was listed on the Catalist.

Upon the successful listing of Terratech, the Company had transferred 18,451,000 and 24,601,000 shares in the share capital of Terratech to two independent third parties, namely Successive Investments Limited ("Successive") and Crescent Worldwide Investment Ltd ("Crescent") (collectively, the "Placement promoters"), representing 3% and 4% of the post-Placement share capital respectively, for their services in seeking and introducing potential investors and/or customers to Terratech and assisting in the then proposed listing exercise of Terratech on the Stock Exchange of Hong Kong Limited. The fair value of the shares as at the date of transfer, which amounted to $9,901,960, was accounted for as a settlement of the share-based transaction and is included in "administrative expenses" line item in profit or loss. The Bonds were also fully converted into 136,324,003 ordinary shares which were issued and allotted to the Option Holders (Note 23).

As a result of the listing, transfer of the Group's shares in the share capital of Terratech to Placement promoters and dilution arising from the conversion of the Bonds, the Group's shareholding in Terratech was reduced from 100% to 62.9%. The gains on disposal and deemed disposals is recorded in "gains on disposals to non-controlling interests" in equity (Note 28(a)).

12. LAND USE RIGHTS

	Group	
	2016	2015
	$	$
Cost		
At 1 April	**3,120,961**	2,755,226
Currency translation differences	**(203,827)**	365,735
At 31 March	**2,917,134**	3,120,961
Accumulated amortisation		
At 1 April	**311,220**	225,992
Amortisation	**61,051**	58,399
Currency translation differences	**(127,133)**	26,829
At 31 March	**245,138**	311,220
Net carrying amount		
At 31 March	**2,671,996**	2,809,741

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 treatment systems and water treatment system was built. The land use rights is transferable and has a remaining tenure of 45 years (2015: 46 years).

Amortisation of the land use rights is included in "other operating costs" line item in profit or loss.

13. MINING RIGHTS

	Group	
	2016	2015
	$	$
Cost		
At 1 April and 31 March	**16,215,300**	16,215,300
Accumulated amortisation		
At 1 April	**1,709,487**	1,474,122
Amortisation	**306,203**	235,365
At 31 March	**2,015,690**	1,709,487
Net carrying amount		
At 31 March	**14,199,610**	14,505,813

The Group has mining rights which relates to sub-lease of a piece of land known as Lot 1781, PN 4112, Mukim Ulu Nenggiri, Jajahan Gua Musang, Kelantan, Malaysia, measuring approximately 25.94 hectares which is owned by Kelantan State Economic Development Corporation. The mining rights has a remaining tenure of 28 years (2015: 29 years), expiring on 26 January 2044.

Amortisation of mining rights is included in "other operating costs" line item in profit or loss.

14. INTANGIBLE ASSETS

Group	Goodwill	Transferable club memberships	Intellectual property right	Customer contracts	Development expenditures	Customer relationships	Software	Trademark	Total
	$	$	$	$	$	$	$	$	$
Cost									
At 1 April 2014	245,464	76,500	198,700	442,704	1,261,763	768,873	–	–	2,994,004
Additions	–	–	–	–	8,000	–	–	–	8,000
Acquisition of a subsidiary (Note 11)	1,362,688	–	–	–	–	–	–	-	1,362,688
Currency translation differences	57,943	–	–	38,570	33,817	–	-	-	130,330
At 31 March 2015 and 1 April 2015	1,666,095	76,500	198,700	481,274	1,303,580	768,873	-	-	4,495,022
Additions	–	–	–	–	–	–	–	2,958	2,958
Written off	–	–	–	–	(737,252)	–	–	–	(737,252)
Acquisition of a subsidiary (Note 11)	488,740	–	–	–	–	–	746,000	-	1,234,740
Currency translation differences	(116,054)	–	–	(32,228)	–	–	–	(131)	(148,413)
At 31 March 2016	2,038,781	76,500	198,700	449,046	566,328	768,873	746,000	2,827	4,847,055
Accumulated amortisation and impairment loss									
At 1 April 2014	–	–	45,176	65,568	202,638	358,803	–	–	672,185
Amortisation	–	–	9,935	134,480	–	76,884	–	–	221,299
Currency translation differences	–	–	–	15,943	5,018	–	–	–	20,961
At 31 March 2015 and 1 April 2015	–	–	55,111	215,991	207,656	435,687	–	–	914,445
Amortisation	–	–	9,935	180,692	40,106	76,884	–	444	308,061
Impairment loss	251,357	–	–	74,841	–	–	–	–	326,198
Written off	–	–	–	–	(42,386)	–	–	–	(42,386)
Currency translation differences	–	–	–	(22,478)	–	–	-	(19)	(22,497)
At 31 March 2016	251,357	–	65,046	449,046	205,376	512,571	–	425	1,483,821
Net carrying amount									
At 31 March 2016	1,787,424	76,500	133,654	–	360,952	256,302	746,000	2,402	3,363,234
At 31 March 2015	1,666,095	76,500	143,589	265,283	1,095,924	333,186	–	–	3,580,577

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

Amortisation of intangible assets is included in “other operating costs” line item in profit or loss.

14. INTANGIBLE ASSETS (Continued)

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:

	Goodwill		Assumption		
			Average revenue growth rate	Long-term growth rate	Pre-tax discount rate per annum
CGU	**2016**	**2015**			
	$	**$**	**%**	**%**	**%**
Hengyu[1]	**1,298,684**	1,391,892	6.0	3.0	19.7
Anhui[2]	**–**	274,203	10.0	3.0	13.0
Geosoft	**488,740**	–	26.0	1.8	14.5
	1,787,424	1,666,095			

(1) Operates within the Resources segment.
(2) Operates within the Water-related and environmental business segment.

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.

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14. INTANGIBLE ASSETS (Continued)

Impairment testing of goodwill (Continued)

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.

Impairment loss recognised

During the financial year, an impairment loss of $251,357 was recognised to write off the carrying amount of the goodwill of Anhui as Anhui has been suffering significant financial losses for the current and past two financial years. The impairment loss is included in "other operating costs" line item in profit or loss.

15. PREPAYMENTS

In the prior year, the prepayment under non-current assets related to amount paid by the Group for leasehold land use rights in Malaysia, in which title to the leasehold land has not been transferred to the Group as at 31 March 2015. During the year, due to cancellation of the arrangement, the prepayment has been refunded to the Group.

Prepayments under current assets included advance payments to suppliers amounting to $1,884,545 (2015: $3,066,800).

16. INVENTORIES

	Group	
	2016	**2015**
	$	**$**
Balance sheet:		
Construction materials (at cost)	**386,942**	397,817
Consumable materials (at cost)	**18,884**	92,954
Raw materials (at cost)	**805,254**	635,144
Work-in-progress (at cost or net realisable value)	**287,641**	1,344,789
Finished goods (at cost or net realisable value)	**5,371,950**	4,957,486
	6,870,671	7,428,190
Income statement:		
Inventories recognised as an expense in cost of sales	**16,851,473**	7,037,705

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade receivables				
Trade receivables from third parties	**10,769,366**	9,283,282	**–**	–
Amounts due from subsidiaries	**–**	–	**7,159,328**	5,393,831
Value-Added Tax ("VAT") refundable	**61,311**	88,959	**–**	–
	10,830,677	9,372,241	**7,159,328**	5,393,831
Impairment losses: third parties	**(1,783,440)**	(1,635,860)	**–**	–
	9,047,237	7,736,381	**7,159,328**	5,393,831
Notes receivables	**170,870**	553,728	**–**	–
Other receivables				
Other receivables from third parties	**2,889,994**	4,516,197	**1,800**	1,268
Amounts due from subsidiaries	**–**	–	**13,578,108**	14,604,477
Amounts due from related parties	**–**	229,508	**–**	–
Interest receivable	**1,719**	–	**1,719**	–
Staff loans	**722,915**	19,950	**–**	–
Dividend receivable from a subsidiary	**–**	–	**133,000**	133,000
Deposits	**901,404**	922,473	**219,950**	219,950
Total trade and other receivables	**13,734,139**	13,978,237	**21,093,905**	20,352,526

Trade receivables

Trade receivables are non-interest bearing and generally on 30 to 90 (2015: 30 to 90) days' credit terms.

Amounts due from related parties

The amounts due from related parties mainly comprise expenses recharged. The non-trade amounts due from related parties are unsecured, non-interest bearing and repayable on demand in cash.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

17. TRADE AND OTHER RECEIVABLES (Continued)

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

	Group	
	2016	2015
	$	$
United States dollar	**1,106,870**	194,738
Indonesia rupiah	**14,773**	–
Singapore dollar	**–**	195,074
Ringgit Malaysia	**–**	51,154
Hong Kong dollar	**–**	34,697
	1,121,643	475,663

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

	Group	
	2016	2015
	$	$
At 1 April	**1,635,860**	121,614
Allowance made during the year	**382,393**	2,039,342
Utilisation of allowance	**(125,307)**	(525,096)
Currency translation differences	**(109,506)**	–
At 31 March	**1,783,440**	1,635,860

The Group's allowance for doubtful trade receivables of $382,393 (2015: $2,039,342) were included in "other operating costs" line item in profit or loss subsequent to a debt recovery assessment performed during the financial year. The impairment loss arose mainly from customers who have difficulty in settling their debts.

	Group	
	2016	2015
	$	$
Trade receivables past due but not impaired:		
Lesser than 30 days	**1,355,809**	1,420,407
30 to 60 days	**225,354**	251,548
60 to 90 days	**357,925**	282,771
More than 90 days	**2,838,975**	711,388
	4,778,063	2,666,114

18. AMOUNTS DUE FROM/(TO) CONTRACT CUSTOMERS

	Group	
	2016 $	2015 $
Aggregate amount of costs incurred and recognised profits to date	**286,045,987**	246,291,092
Less: Progress billings	**(243,398,576)**	(203,222,311)
	42,647,411	43,068,781
Presented as:		
Amounts due from contract customers	**45,760,318**	46,962,579
Amounts due to contract customers	**(3,112,907)**	(3,893,798)
	42,647,411	43,068,781
Retention sums receivable on construction contracts included in aggregate amount of costs incurred and recognised profits to date	**935,373**	1,343,228

19. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2016 $	2015 $	2016 $	2015 $
Cash and bank balances	**5,707,492**	14,012,686	**970,718**	517,568
Short-term deposits	**6,600,007**	4,766,883	**1,519,631**	1,511,878
Cash and short-term deposits	**12,307,499**	18,779,569	**2,490,349**	2,029,446
Bank overdrafts (Note 21)	**(2,144,085)**	(2,507,872)		
Short-term deposits pledged	**(4,901,557)**	(4,746,538)		
Cash and cash equivalents in the consolidated cash flow statement	**5,261,857**	11,525,159		

Cash at banks earns interest at floating rates based on daily bank deposits. Short-term deposits mature on varying periods between 1 to 12 (2015: 1 to 12) months from the end of the reporting period. The effective interest rates on the short-term deposits range from 0.25% to 2.70% (2015: 0.25% to 1.80%) per annum. The short-term deposits of the Group and the Company amounting to $4,901,557 (2015: $4,746,538) and $1,519,631 (2015: $1,511,878) respectively are pledged to banks for facilities granted to the Group and the Company (Note 21).

As at 31 March 2016, the Group had cash and cash equivalents (including pledged deposits) of $3,966,959 (2015: $9,206,278) 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.

19. CASH AND SHORT-TERM DEPOSITS (Continued)

Cash and short-term deposits denominated in foreign currencies as at 31 March are as follows:

	Group	
	2016	2015
	$	$
United States dollar	**1,320,850**	348,127
Singapore dollar	**1**	21,037
Hong Kong dollar	**1,772**	1,772
Indian rupee	**168**	5,290
	1,322,791	376,226

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade payables to third parties	**11,136,090**	9,427,379	**–**	–
Goods and Services Tax ("GST") payable	**869,920**	1,416,687	**15,677**	52,468
Accrued operating expenses	**3,420,112**	3,040,569	**349,675**	296,673
Interest accrued on convertible loans (Note 25)	**417,681**	774,483	**417,681**	774,483
Provision for unutilised leave	**394,279**	377,837	**17,376**	–
Advances from customers	**440,171**	352,865	**–**	–
Deposits received	**8,450**	43,503	**–**	–
Other payables	**13,550,163**	5,673,902	**159,742**	150,657
Notes payables	**520,883**	697,974	**–**	–
Amount due to a director of a subsidiary	**2,090,000**	2,240,000	**–**	–
Amount due to a former shareholder of a subsidiary	**97,128**	461,440	**–**	–
Amounts due to subsidiaries	**–**	–	**3,065,145**	3,065,145
Amount due to a corporate shareholder	**927,281**	–	**800,000**	–
	33,872,158	24,506,639	**4,825,296**	4,339,426

Trade payables

Trade payables are non-interest bearing and are normally settled between 30 to 90 (2015: 30 to 90) days' term.

20. TRADE AND OTHER PAYABLES (Continued)

Amount due to a director of a subsidiary

The amount due to a director of a subsidiary comprises advances received by the subsidiary from the director for working capital purposes. The non-trade amount is unsecured, non-interest bearing and repayable on demand in cash.

Amount due to a former shareholder of a subsidiary

The amount due to a former shareholder of a subsidiary mainly comprises advances received by the subsidiary from the former shareholder. The non-trade amount is unsecured, non-interest bearing and repayable on demand in cash.

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 balances except for an amount of $2,000,000 (2015: $2,000,000) due to subsidiaries which bears an effective interest rate of 3.68% (2015: 3.90%) per annum on monthly rests or such other rate(s) as may be determined by the subsidiaries.

Amount due to a corporate shareholder

The amount due to a corporate shareholder mainly comprises settlement of liabilities on behalf by the corporate shareholder. The non-trade amount is unsecured, non-interest bearing and repayable on demand in cash.

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

	Group	
	2016	**2015**
	$	**$**
United States dollar	**417,458**	217,496
Hong Kong dollar	**11,233**	21,855
Indian rupee	**2,030**	32,935
Singapore dollar	**–**	730,735
	430,721	1,003,021

21. BANK BORROWINGS

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Current liabilities				
Secured				
Term loan II	**1,200,000**	1,200,000	**1,200,000**	1,200,000
Term loan III	**1,000,000**	1,500,000	**–**	–
Term loan IV	**–**	672,000	**–**	–
Term loan V	**577,800**	–	**–**	–
Term loan VII	**–**	3,360,000	**–**	–
Term loan VIII	**–**	3,360,000	**–**	–
Term loan IX	**–**	1,232,000	**–**	–
Term loan X	**–**	448,000	**–**	–
Term loan XI	**–**	1,344,000	**–**	–
Term loan XII	**3,135,000**	–	**–**	–
Term loan XIII	**3,135,000**	–	**–**	–
Term loan XIV	**1,254,000**	–	**–**	–
Mortgage loan	**20,284**	19,344	**20,284**	19,344
Bank overdrafts	**2,118,117**	2,319,500	**1,981,178**	1,885,362
Fixed advanced facility loan I ("FAFY I")	**1,500,000**	2,000,000	**–**	–
Fixed advanced facility loan II ("FAFY II")	**1,500,000**	3,000,000	**1,500,000**	3,000,000
	15,440,201	20,454,844	**4,701,462**	6,104,706
Unsecured				
Term loan I	**133,892**	169,302	**–**	–
Term loan VI	**–**	336,000	**–**	–
Bank overdrafts	**25,968**	188,372	**–**	–
	159,860	693,674	**–**	–
	15,600,061	21,148,518	**4,701,462**	6,104,706
Non-current liabilities				
Secured				
Term loan II	**2,100,000**	3,300,000	**2,100,000**	3,300,000
Term loan V	**71,482**	–	**–**	–
Mortgage loan	**351,644**	371,358	**351,644**	371,358
	2,523,126	3,671,358	**2,451,644**	3,671,358
Unsecured				
Term loan I	**–**	133,892	**–**	–
	2,523,126	3,805,250	**2,451,644**	3,671,358
Total bank borrowings	**18,123,187**	24,953,768	**7,153,106**	9,776,064

21. BANK BORROWINGS (Continued)

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	%	%	%	%
Term loan I	**3.25**	3.25	**–**	–
Term loan II	**4.25**	4.25	**4.25**	4.25
Term loan III	**5.34 – 6.80**	4.74 – 5.44	**–**	–
Term loan IV	**–**	7.20	**–**	–
Term loan V	**2.15**	–	**–**	–
Term loan VI	**–**	8.10	**–**	–
Term loan VII	**–**	6.60	**–**	–
Term loan VIII	**–**	6.19	**–**	–
Term loan IX	**–**	7.80	**–**	–
Term loan X	**–**	7.80	**–**	–
Term loan XI	**–**	7.28	**–**	–
Term loan XII	**4.79**	–	**–**	–
Term loan XIII	**5.34**	–	**–**	–
Term loan XIV	**7.80**	–	**–**	–
Mortgage loan	**4.50**	4.50	**4.50**	4.50
FAFY I	**4.48**	3.90	**–**	–
FAFY II	**4.49 – 4.51**	4.07 – 4.10	**4.49 – 4.51**	4.07 – 4.10
Bank overdrafts	**5.5 – 9.88**	5.5 – 9.88	**6.50**	6.50

Secured

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

Term loan III from a financial institution is repayable and rollover every 1-month commencing from 30 November 2015 (2015: 3 months commencing from the drawdown date, 18 December 2012). Term loan III is secured by short-term deposit of a subsidiary and a corporate guarantee of the Company.

Term loan IV from a financial institution was repayable over 12 months commencing from 11 November 2014. Term loan IV was secured by a leasehold property (Note 10) of the Group in the PRC. Term loan IV was fully repaid in the current financial year.

Term loan V from a financial institution is repayable over 24 months commencing from 30 April 2015. Term loan XV is secured by the equipment and a corporate guarantee of the Company.

Term loan VII from a financial institution was repayable over 12 months commencing from 28 July 2014. Term loan VII was secured by a leasehold property (Note 10) and land use rights (Note 12) of the Group in the PRC. Term loan VII was fully repaid in the current financial year.

21. BANK BORROWINGS (Continued)

Secured (Continued)

Term loan VIII from a financial institution was repayable over 12 months commencing from 31 March 2015. Term loan VIII is secured by a leasehold property (Note 10) and land use rights (Note 12) of the Group in the PRC. Term loan VIII was fully repaid in the current financial year.

Term loan IX from a financial institution was repayable over 12 months commencing from 28 February 2015. Term loan IX was secured by a leasehold property (Note 10) of the Group in the PRC and personal guarantee by vice general manager of the Company. Term loan IX was fully repaid in the current financial year.

Term loan X from a financial institution was repayable over 12 months commencing from 13 February 2015. Term loan X was secured by a leasehold property (Note 10) of the Group in the PRC and personal guarantee by vice general manager of the Company. Term loan X was fully repaid in the current financial year.

Term loan XI from a financial institution was repayable over 12 months commencing from 10 February 2015. Term loan XI was secured by a leasehold property (Note 10) of the Group in the PRC and personal guarantee by vice general manager of the Company. Term loan XI was fully repaid in the current financial year.

Term loan XII from a financial institution is repayable over 12 months commencing from 8 December 2015. Term loan XII is secured by a leasehold property (Note 10) and land use rights (Note 12) of the Group in the PRC.

Term loan XIII from a financial institution is repayable over 12 months commencing from 5 August 2015. Term loan XIII is secured by a leasehold property (Note 10) and land use rights (Note 12) of the Group in the PRC.

Term loan XIV from a financial institution is repayable over 12 months commencing from 7 September 2015. Term loan XIV is secured by a leasehold property (Note 10) of the Group in the PRC and personal guarantee by vice general manager of the Company.

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, commencing from 15 July 2015 (2015: 3 months commencing from the drawdown date, 12 July 2012). FAFY loan I 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 is secured by short-term deposits of the Company and corporate guarantees by certain subsidiaries of the Group.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

21. BANK BORROWINGS (Continued)

Unsecured

Term loan I from a financial institution is repayable over 36 months commencing from 21 January 2014 with interest rate of 3.25% per annum. Term loan I is secured by a corporate guarantee of the Company.

Term loan VI from a financial institution was repayable over 12 months commencing from 7 August 2014 with interest rate of 8.10% per annum. Term loan VI was fully repaid in the current financial year.

Bank overdrafts are secured by corporate guarantees 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	
	2016	2015	2016	2015
	$	$	$	$
Facilities granted	**18,728,105**	24,647,898	**7,171,928**	9,890,702
Facilities utilised	**18,122,190**	23,945,771	**7,153,106**	9,776,064

22. LOANS FROM SHAREHOLDERS

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Loan from a shareholder	**1,320,000**	–	**1,320,000**	–
Loan from a corporate shareholder	**5,419,164**	–	**4,970,695**	–
	6,739,164	–	**6,290,695**	–

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

The loan from a corporate shareholder is unsecured, non interest-bearing and repayable on demand in cash.

23. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

On 23 November 2012, a subsidiary of the Group, namely, Terratech Resources issued the Bonds denominated in Singapore dollar with a nominal value of $15,000,000. The Bonds bear interest rate of 4% per annum for the first twelve months and 8% per annum thereafter up to 23 November 2016 and interest is payable yearly in arrears on 23 November.

On 20 June 2014, pursuant to the Restructuring Agreement as described in Note 11(c), the Bonds were assumed by Terratech and were convertible into new ordinary shares of Terratech at a conversion price of 50% discount to the IPO price upon a successful IPO on any international recognised stock exchange.

On 15 July 2014, the Bonds were fully converted into 136,324,003 ordinary shares which were issued and allotted to the Option Holders, upon the successful list of Terratech on the Catalist.

23. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

In the prior year, the Group had designated the instruments in their entirety as financial liabilities carried at FVTPL. The carrying amount of the financial liabilities designated at FVTPL as at 31 March 2015 was arrived at as follows:

	Group 2015 $
As at 1 April	23,383,278
Interest expense (Note 6)	657,471
Fair value loss to profit or loss	3,426,039
	27,466,788
Less: Interest accrued/paid	(95,343)
Less: conversion during the year	(27,371,445)
As at 31 March	–

The fair value of the Bonds was determined based on the probability-weighted average present value of the expected future net cash flows to the bond holders, considering each of the possible future events and the conversion terms and conditions under each event, and were valued by an independent professional valuer, Roma Appraisals Limited at the end of the previous reporting date and at the date of conversion.

There was no outstanding balance for the Bonds as at the end of the reporting date.

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.

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

	Group			
	2016		2015	
	Minimum lease payments $	Present value of payments $	Minimum lease payments $	Present value of payments $
Within one year	**2,845,321**	**2,634,344**	2,640,879	2,486,728
Later than one year but not later than five years	**4,054,886**	**3,867,024**	3,114,118	2,985,935
After five years	**4,932**	**4,892**	5,350	5,296
Total minimum lease payments	**6,905,139**	**6,506,260**	5,760,347	5,477,959
Less: Amounts representing finance charges	**(398,879)**	**–**	(282,388)	–
Present value of minimum lease payments	**6,506,260**	**6,506,260**	5,477,959	5,477,959

24. FINANCE LEASE PAYABLES (Continued)

The effective interest rates charged during the financial year ranged between 1.03% to 10.86% (2015: 2.75% to 10.86%) per annum. The finance leases terms range from between 3 to 7 years (2015: 3 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.

25. CONVERTIBLE LOANS

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 for 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.

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25. CONVERTIBLE LOANS (Continued)

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 $
At date of issuance on 28 October 2014	2,108,300	971,000	6,290,000	630,700	10,000,000
Add/(less):					
Fair value gain	–	(158,000)	–	–	(158,000)
Interest expense	–	–	774,483	(131,662)	642,821
At 31 March 2015	2,108,300	813,000	7,064,483	499,038	10,484,821
Add/(less):					
Fair value gain	–	(709,000)	–	–	(709,000)
Interest expense	–	–	2,032,617	(175,717)	1,856,900
Conversion of convertible loan interests	–	–	(998,987)	–	(998,987)
At 31 March 2016	2,108,300	104,000	8,098,113	323,321	10,633,734

	Group and Company 2016 $	 2015 $
Liability component of convertible loans		
Comprising:		
Current (Note 20)	**417,681**	774,483
Non-current	**7,680,432**	6,290,000
	8,098,113	7,064,483

26. DEFERRED TAX

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

	Group			
	Consolidated balance sheet		Consolidated income statement	
	2016 $	2015 $	2016 $	2015 $
Gross deferred tax assets				
Provision for unutilised leave	**5,272**	3,737	**1,535**	(37,736)
Unabsorbed capital allowance	**126,723**	128,258	**(1,535)**	20,921
Unutilised tax losses	**–**	–	**–**	(241,816)
	131,995	131,995		
Gross deferred tax liabilities				
Mining rights	**(2,413,934)**	(2,465,989)	**52,055**	83,533
Unremitted foreign interest income	**(144,501)**	(330,953)	**186,452**	(57,828)
Differences in depreciation of plant and equipment for tax purposes	**(268,051)**	(83,677)	**(184,374)**	122,973
Fair value of intangible assets	**(170,389)**	(79,587)	**36,018**	8,133
Revaluation of leasehold properties	**(3,212,979)**	(3,579,767)	**366,788**	–
Liability component of convertible loans	**(323,321)**	(499,038)	**175,717**	131,662
	(6,533,175)	(7,039,011)		
	(6,401,180)	(6,907,016)		
Deferred tax credit (Note 8)			**632,656**	29,842

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	
	2016 $	2015 $
Net deferred tax assets	**131,995**	131,995
Net deferred tax liabilities	**(6,533,175)**	(7,039,011)
	(6,401,180)	(6,907,016)

	Company	
	Balance sheet	
	2016 $	2015 $
Deferred tax liabilities		
Revaluation of leasehold property	**(168,867)**	(175,100)
Liability component of convertible loans	**(323,321)**	(499,038)
Unremitted foreign interest income	**(144,501)**	(330,953)
	(636,689)	(1,005,091)

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

27. SHARE CAPITAL

	Group and Company			
	2016 No. of shares	2016 $	2015 No. of shares	2015 $
Issued and fully paid ordinary shares				
At 1 April	**778,962,186**	**68,173,926**	773,149,186	67,174,089
Issuance of ordinary shares as project introducer fee	**–**	**–**	5,813,000	999,837
Issuance of ordinary shares to convertible loan holders	**8,053,500**	**998,987**	–	–
Transfer from employee share award reserve upon conversion of employee share awards	**4,850,000**	**693,550**	–	–
At 31 March	**791,865,686**	**69,866,463**	778,962,186	68,173,926

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 21 September 2014, the Company issued and allotted 5,813,000 shares to an independent third party, Successive, at an issue price of $0.17 per share, amounting to an aggregate of $999,837, for his services in introducing business opportunities to the Company, including water recycling project opportunities under a Project Introducer Agreement. The fair value of the share-based transaction of $999,837 was included in "other operating costs" line item in profit or loss.

During the year, the Company issued and allotted 3,673,500 ordinary shares at an exercise price of $0.14 per share and another 4,380,000 shares at an exercise price of $0.11 per share to convertible loan holders upon conversion of the convertible loan interests into ordinary shares. The Company issued and allotted another 4,850,000 ordinary shares at a conversion price of $0.14 per share to eligible employees and directors upon conversion of the employee share awards under the Share Plan.

28. RESERVES

	Group		Company	
	2016 $	2015 $	2016 $	2015 $
Gains on disposals to non-controlling interests	**34,951,514**	34,951,514	**–**	–
Employee share award reserve	**–**	707,850	**–**	707,850
Foreign currency translation reserve	**397,630**	3,215,296	**–**	–
Asset revaluation reserve	**11,111,552**	11,111,552	**925,669**	925,669
Equity component of convertible loans (Note 25)	**2,108,300**	2,108,300	**2,108,300**	2,108,300
Accumulated (losses)/profits	**(43,829,120)**	(27,135,202)	**2,374,612**	489,087
	4,739,876	24,959,310	**5,408,581**	4,230,906

28. RESERVES (Continued)

(a) Gains on disposals to non-controlling interests

The gains on the disposals and deemed disposals 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 (Note 11(c)).

	Group		Company	
	2016 $	2015 $	2016 $	2015 $
At 1 April	**34,951,514**	–	**–**	–
Gains arising from disposals and deemed disposals of shares to non-controlling interests	**–**	34,951,514	**–**	–
At 31 March	**34,951,514**	34,951,514	**–**	–

(b) Employee share award reserve

Employee share award reserve represents the equity-settled performance share awards granted to certain directors and employees of the Group under the Share Plan. The reserve is made up of the cumulative value of services received from the directors and employees recorded at the grant date of the performance share awards.

	Group		Company	
	2016 $	2015 $	2016 $	2015 $
At 1 April	**707,850**	–	**707,850**	–
Grant of share awards	**–**	707,850	**–**	707,850
Conversion and cancellation of share awards	**(707,850)**	–	**(707,850)**	–
At 31 March	**–**	707,850	**–**	707,850

(c) 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 statement of changes in equity.

28. RESERVES (Continued)

(d) 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	
	2016	2015	2016	2015
	$	$	$	$
At 1 April, as previously reporting	**11,111,552**	13,036,463	**925,669**	470,431
Prior year adjustment (Note 37):				
Over-valuation of land use rights	**–**	(4,158,377)	**–**	–
At 1 April, as restated	**11,111,552**	8,878,086	**925,669**	470,431
Revaluation gains	**–**	2,914,327	**–**	548,478
Deferred tax on revaluation gains	**–**	(680,861)	**–**	(93,240)
At 31 March	**11,111,552**	11,111,552	**925,669**	925,669

29. COMMITMENTS

(a) Capital commitments

As at end of the reporting period, the Group had the following capital commitments:

	2016	2015
	$	$
Commitments for the acquisition of plant and equipment	**28,066**	21,935

(b) Operating lease commitments – as lessee

The Group has entered into commercial leases for rental payable for premises, office equipment and mining rights (Note 13). Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Not later than one year	**2,401,803**	2,483,609	**553,264**	553,162
Later than one year but not later than five years	**4,354,387**	5,106,408	**182,877**	736,141
Later than five years	**1,803,154**	2,881,078	**–**	–
	8,559,344	10,471,095	**736,141**	1,289,303

NOTES TO THE FINANCIAL STATEMENTS

29. COMMITMENTS

(b) Operating lease commitments – as lessee (Continued)

The above operating lease commitments are based on existing rental rates and have an average tenure of between 1 to 8 years (2015: 1 to 8 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.

The lease of the mining rights also called for additional payments, which are based on certain percentage of sales value or market value (whichever is higher) of the blocks or products extracted or produced from the marble mine, and a percentage of the profit for the mining on the marble mine pursuant to the terms and conditions as stipulated in the agreement. As the future sales value/market value and profits could not be accurately determined as at the end of each reporting period, the relevant contingent rentals have not been included above.

(c) 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	
	2016	**2015**
	$	**$**
Not later than one year	**158,729**	50,198
Later than one year but not later than five years	**19,666**	1,960
	178,395	52,158

All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. These non-cancellable leases have remaining lease terms of between 1 to 2 years (2015: 1 to 2 years). There were no renewal options or arrangements entered for contingent rent payments.

30. 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	
	2016	2015	2016	2015
	$	$	$	$
With a shareholder				
Loan from a shareholder	**1,320,000**	–	**1,320,000**	–
With corporate shareholder				
Interest charged	**–**	194,667	**–**	–
Accounting fee charged to corporate shareholder	**–**	19,000	**–**	–
Loan from a corporate shareholder	**5,419,164**	–	**4,970,695**	–
With subsidiaries				
Loans to subsidiaries	**–**	–	**4,469,695**	8,865,000
Management fee income	**–**	–	**1,999,200**	2,192,700
Rental income	**–**	–	**544,068**	526,068
Loan interest charged by subsidiaries	**–**	–	**73,594**	95,883
Loan interest charged to subsidiaries	**–**	–	**114,133**	194,667
Accounting fee charged by subsidiary	**–**	–	**46,500**	46,500
Recharge of expenses by subsidiaries	**–**	–	**36,113**	25,000
Recharge of expenses to subsidiaries	**–**	–	**26,162**	351,581
Settlement of liabilities on behalf by subsidiaries	**–**	–	**229,868**	1,083,089
Settlement of liabilities on behalf of subsidiaries	**–**	–	**11,775**	677,000
With related party				
Accounting fee charged to a related party	**4,167**	6,300	**–**	–
Rental of office equipment charged by a related party	**64,000**	76,800	**–**	–

30. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Directors' fees	**390,000**	493,264	**235,000**	216,000
Short-term benefits	**2,102,362**	1,903,507	**900,000**	1,097,500
Contributions to the defined contribution plans	**41,633**	59,622	**20,520**	29,800
Employee share award scheme	**–**	500,500	**–**	429,000
Total compensation paid to key management personnel	**2,533,995**	2,956,893	**1,155,520**	1,772,300
Comprise amounts paid to:				
– Directors of the Company	**1,155,520**	1,772,300	**1,155,520**	1,772,300
– Directors of a subsidiary	**1,378,475**	1,184,593	**–**	–
	2,533,995	2,956,893	**1,155,520**	1,772,300

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

31. 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 $9,952,341 (2015: $9,903,664) 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 21 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.

32. 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.

2016	Engineering business $	Water-related and environmental business $	Marble Resources business $	Corporate $	Other $	Adjustments $	Per consolidated financial statements $
Revenue:							
Sales to external customers	53,346,503	15,789,110	10,041,430	–	25,600	–	79,202,643
Inter-segment sales	192,530	278,218	–	1,999,200	12,800	(2,482,748)*	–
Total revenue	53,539,033	16,067,328	10,041,430	1,999,200	38,400	(2,482,748)	79,202,643
Results:							
Segment results	(977,311)	(8,289,152)	(3,576,257)	(2,073,931)	25,741	–	(14,890,910)
Finance costs	(418,919)	(668,106)	(21,549)	(2,456,896)	–	–	(3,565,470)
Interest income	8,516	22,424	1,065	8,205	–	–	40,210
Loss before taxation	(1,387,714)	(8,934,834)	(3,596,741)	(4,522,622)	25,741	–	(18,416,170)
Income tax credit							322,486
Loss for the year							(18,093,684)
Capital expenditure:							
Property, plant and equipment	6,474,042	2,157,957	701,059	–	–	–	9,333,058
Intangible assets	–	2,958	–	–	–	–	2,958

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

32. SEGMENT INFORMATION (Continued)

2016	Engineering business $	Water-related and environmental business $	Marble Resources business $	Corporate $	Other $	Adjustments $	Per consolidated financial statements $
Significant non-cash items:							
Depreciation and amortisation expenses	2,988,156	2,468,376	969,124	37,123	397	–	6,463,176
Fair value gain on derivative component of convertible loans	–	–	–	(709,000)	–	–	(709,000)
Impairment of plant and equipment	–	199,063	–	–	–	–	199,063
Impairment of intangible assets	–	326,198	–	–	–	–	326,198
Write-off of intangible assets	–	694,866	–	–	–	–	694,866
Write down of inventories	–	–	46,038	–	–	–	46,038
Reversal of write down of inventories	–	–	(303,889)	–	–	–	(303,889)
Impairment losses on trade receivables	72,630	93,892	215,871	–	–	–	382,393
Asset and liabilities:							
Assets	72,756,113	59,832,532	20,095,213	12,404,231	1,297,483	–	166,385,572
Liabilities	21,456,599	31,796,708	6,123,115	23,794,316	259,532	–	83,430,270

2015	Engineering business $	Water-related and environmental business $	Marble Resources business $	Corporate $	Adjustments $	Per consolidated financial statements $
Revenue:						
Sales to external customers	46,299,034	11,815,134	4,018,676	–	–	62,132,844
Inter-segment sales	329,220	46,947	2,909,685	3,592,700	(6,878,552)*	–
Total revenue	46,628,254	11,862,081	6,928,361	3,592,700	(6,878,552)	62,132,844
Results:						
Segment results	(4,176,455)	(4,139,889)	(10,493,200)	(11,036,782)	–	(29,846,326)
Finance costs	(277,836)	(549,390)	(519,475)	(1,345,499)	–	(2,692,200)
Interest income	8,777	32,276	2,203	6,551	–	49,807
Loss before taxation	(4,445,514)	(4,657,003)	(11,010,472)	(12,375,730)	–	(32,488,719)
Income tax credit						750,181
Loss for the year						(31,738,538)
Capital expenditure:						
Property, plant and equipment	6,758,296	1,994,298	807,567	–	–	9,560,161
Intangible assets	–	8,000	–	–	–	8,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

32. SEGMENT INFORMATION (Continued)

2015	Engineering business $	Water-related and environmental business $	Marble Resources business $	Corporate $	Adjustments $	Per consolidated financial statements $
Significant non-cash items:						
Depreciation and amortisation expenses	2,406,973	1,633,477	891,416	457	–	4,932,323
Fair value gain on derivative component of convertible loans	–	–	–	(158,000)	–	(158,000)
Share-based payments	–	–	–	11,609,647	–	11,609,647
Fair value loss on financial liabilities designated as FVTPL	–	–	–	3,426,039	–	3,426,039
Write down of inventories	–	–	1,492,230	–	–	1,492,230
Impairment losses on trade receivables	9,490	1,838,011	191,841	–	–	2,039,342
Asset and liabilities:						
Assets	69,745,164	70,941,570	32,037,917	4,293,987	–	177,018,638
Liabilities	20,023,245	33,679,548	1,103,837	19,442,979	–	74,249,609

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

* Inter-segment revenues are eliminated on consolidation.

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	
	2016 $	2015 $	2016 $	2015 $
Singapore	**58,611,036**	50,498,362	**43,865,516**	25,806,693
People's Republic of China	**20,558,935**	11,486,311	**38,691,318**	43,032,161
Malaysia	**32,672**	148,171	**2,305,800**	16,914,263
	79,202,643	62,132,844	**84,862,634**	85,753,117

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

32. SEGMENT INFORMATION (Continued)

Information about major customers

Revenue from one (2015: one) major customer amounted to $18,498,590 (2015: $19,065,159) and arose from revenue from construction contracts and services rendered by the engineering business segment.

33. 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.

(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 (2015: 100) basis points higher/lower with all other variables held constant, the Group's loss net of tax would have been $4,559 lower (2015: $9,181 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.

33. 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)	
	2016	**2015**
	Loss before tax	**Loss before tax**
	$	**$**
Group		
USD against SGD		
– Strengthened 5% (2015: 10%)	**(100,513)**	(32,537)
– Weakened 5% (2015: 10%)	**100,513**	32,537

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.

33. 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 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.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk (Continued)

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.

	One year or less $	One to five years $	Over five years $	Total $
Group				
2016				
Financial assets				
Trade and other receivables[1]	**13,672,828**	**–**	**–**	**13,672,828**
Cash and short-term deposits	**12,307,499**	**–**	**–**	**12,307,499**
Total undiscounted financial assets	**25,980,327**	**-**	**-**	**25,980,327**
Financial liabilities				
Trade and other payables[2]	**32,562,067**	**–**	**–**	**32,562,067**
Convertible loans	**1,000,000**	**11,000,000**	**–**	**12,000,000**
Bank borrowings	**15,600,061**	**2,492,845**	**277,962**	**18,370,868**
Finance lease payables	**2,845,321**	**4,054,886**	**4,932**	**6,905,139**
Loans from shareholders	**6,739,164**	**–**	**–**	**6,739,164**
Total undiscounted financial liabilities	**58,746,613**	**17,547,731**	**282,894**	**76,577,238**
Total net undiscounted financial liabilities	**(32,766,286)**	**(17,547,731)**	**(282,894)**	**(50,596,911)**
2015				
Financial assets				
Trade and other receivables[1]	13,889,278	–	–	13,889,278
Cash and short-term deposits	18,779,569	–	–	18,779,569
Total undiscounted financial assets	32,668,847	–	–	32,668,847
Financial liabilities				
Trade and other payables[2]	22,737,087	–	–	22,737,087
Convertible loans	1,000,000	12,000,000	–	13,000,000
Bank borrowings	21,148,518	3,979,850	314,491	25,442,859
Finance lease payables	2,640,879	3,114,118	5,350	5,760,347
Total undiscounted financial liabilities	47,526,484	19,093,968	319,841	66,940,293
Total net undiscounted financial liabilities	(14,857,637)	(19,093,968)	(319,841)	(34,271,446)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk (Continued)

	One year or less $	One to five years $	Over five years $	Total $
Company				
2016				
Financial assets				
Trade and other receivables[1]	**21,093,905**	**–**	**–**	**21,093,905**
Cash and short-term deposits	**2,490,349**	**–**	**–**	**2,490,349**
Total undiscounted financial assets	**23,584,254**	**–**	**–**	**23,584,254**
Financial liabilities				
Trade and other payables[2]	**4,809,619**	**–**	**–**	**4,809,619**
Convertible loans	**1,000,000**	**11,000,000**	**–**	**12,000,000**
Bank borrowings	**4,701,462**	**2,419,335**	**277,962**	**7,398,759**
Loans from shareholders	**6,290,695**	**–**	**–**	**6,290,695**
Total undiscounted financial liabilities	**16,801,776**	**13,419,335**	**277,962**	**30,499,073**
Total net undiscounted financial assets/(liabilities)	**6,782,478**	**(13,419,335)**	**(277,962)**	**(6,914,819)**
2015				
Financial assets				
Trade and other receivables[1]	20,352,526	–	–	20,352,526
Cash and short-term deposits	2,029,446	–	–	2,029,446
Total undiscounted financial assets	22,381,972	–	–	22,381,972
Financial liabilities				
Trade and other payables[2]	4,268,958	–	–	4,268,958
Convertible loans	1,000,000	12,000,000	–	13,000,000
Bank borrowings	6,104,706	3,838,076	314,491	10,257,273
Total undiscounted financial liabilities	11,373,664	15,838,076	314,491	27,526,231
Total net undiscounted financial assets/(liabilities)	11,008,308	(15,838,076)	(314,491)	(5,144,259)

(1) Exclude VAT refundable.

(2) Exclude advances from customers and GST payable.

33. 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			
2016			
Financial guarantees provided to subsidiaries	9,952,341	–	9,952,341
2015			
Financial guarantees provided to subsidiaries	9,903,664	–	9,903,664

34. 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.

34. 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					
2016					
Assets					
Property, plant and equipment – Leasehold properties	10	**–**	**–**	**31,680,598**	**31,680,598**
Liabilities					
Derivative component of convertible loans	25	**–**	**–**	**104,000**	**104,000**
2015					
Assets					
Property, plant and equipment – Leasehold properties	10	–	–	34,588,296	34,588,296
Liabilities					
Derivative component of convertible loans	25	–	–	813,000	813,000

34. FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

(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	Valuation techniques used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Property, plant and equipment – Leasehold property (factory building located in South Haibing 2 Road, East of West Zhushan Road, Jiaonan China)	Cost replacement approach, with reference to valuation report performed by an independent valuer on 31 March 2015.	**Market price per square metre** $485 – $590 per square metre	The estimated fair value increases with higher market price.
Property, plant and equipment – All other leasehold properties	Direct comparison approach, with reference to valuation report performed by an independent valuer on 31 March 2015.	**Market price per square metre** $1,480 – $2,300 per square metre	The estimated fair value increases with higher market price.

34. FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

(c) Level 3 fair value measurements (Continued)

Description	Valuation techniques used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Derivative component of convertible loans	Binomial lattice method where value of embedded derivative is determined as the difference in value of the convertible loans with and without the interest conversion feature, with reference to valuation report performed by an independent valuer on 31 March 2016.	**Expected share price volatility** Expected share price volatility is computed as 46.77% which is the historical share price volatility of the Company. **Time to maturity** 3 years less time elapsed from issuance date to valuation date of 1.58 years. **Credit spread** 12.517% derived from average spread of selected bonds of Issuers in Industrial Other, Waste & Environmental Services with credit rating of B or CCC and Maturity Date 2016 – 2018. Data extracted from Bloomberg. **Other risk premium** 23.22% implied by calibrating fair value of the convertible loans to be close par at disbursement date.	There is a positive relationship between all of these key observable inputs and estimated fair value.

34. FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

(c) Level 3 fair value measurements (Continued)

	Leasehold properties $	Derivative component of convertible loans $
Group		
2016		
At 1 April	**34,588,296**	**813,000**
Currency translation	**(2,166,174)**	**–**
Included in profit or loss:		
Depreciation	**(741,524)**	**–**
Fair value gain	**–**	**(709,000)**
At 31 March	**31,680,598**	**104,000**
2015		
At 1 April	28,998,579	–
Issue	–	971,000
Reclassification from machinery instrumentation and tools	518,963	–
Currency translation	2,768,887	–
Included in profit or loss:		
Fair value gain	–	(158,000)
Included in other comprehensive income:		
Net surplus on revaluation of leasehold properties	2,301,867	–
At 31 March	34,588,296	813,000

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.

34. FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

(c) Level 3 fair value measurements (Continued)

Valuation policies and procedures (Continued)

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 neccessary and appropriate.

35. 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	**Loans and receivables**	**Liabilities at amortised cost**	**Liabilities at fair value through profit or loss**	**Total**
2016	**$**	**$**	**$**	**$**
Assets				
Trade and other receivables[1]	**13,672,828**	**–**	**–**	**13,672,828**
Cash and short-term deposits	**12,307,499**	**–**	**–**	**12,307,499**
	25,980,327	**–**	**–**	**25,980,327**
Liabilities				
Trade and other payables[2]	**–**	**32,562,067**	**–**	**32,562,067**
Derivative and liability components of convertible loans	**–**	**7,680,432**	**104,000**	**7,784,432**
Bank borrowings	**–**	**18,123,187**	**–**	**18,123,187**
Finance lease payables	**–**	**6,506,260**	**–**	**6,506,260**
Loans from shareholders	**–**	**6,739,164**	**–**	**6,739,164**
	–	**71,611,110**	**104,000**	**71,715,110**
2015				
Assets				
Trade and other receivables[1]	13,889,278	–	–	13,889,278
Cash and short-term deposits	18,779,569	–	–	18,779,569
	32,668,847	–	–	32,668,847
Liabilities				
Trade and other payables[2]	–	22,737,087	–	22,737,087
Derivative and liability components of convertible loans	–	6,290,000	813,000	7,103,000
Bank borrowings	–	24,953,768	–	24,953,768
Finance lease payables	–	5,477,959	–	5,477,959
	–	59,458,814	813,000	60,271,814

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

35. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

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:

Company **2016**	**Loans and receivables** **$**	**Liabilities at amortised cost** **$**	**Liabilities at fair value through profit or loss** **$**	**Total** **$**
Assets				
Trade and other receivables[1]	**21,093,905**	**–**	**–**	**21,093,905**
Cash and short-term deposits	**2,490,349**	**–**	**–**	**2,490,349**
	23,584,254	**–**	**–**	**23,584,254**
Liabilities				
Trade and other payables[2]	**–**	**4,809,619**	**–**	**4,809,619**
Derivative and liability components of convertible loans	**–**	**7,680,432**	**104,000**	**7,784,432**
Bank borrowings	**–**	**7,153,106**	**–**	**7,153,106**
Loans from shareholders		**6,290,695**	**–**	**6,290,695**
	–	**25,933,852**	**104,000**	**26,037,852**
2015				
Assets				
Trade and other receivables[1]	20,352,526	–	–	20,352,526
Cash and short-term deposits	2,029,446	–	–	2,029,446
	22,381,972	–	–	22,381,972
Liabilities				
Trade and other payables[2]	–	4,286,958	–	4,286,958
Derivative and liability components of convertible loans	–	6,290,000	813,000	7,103,000
Bank borrowings	–	9,776,064	–	9,776,064
	–	20,353,022	813,000	21,166,022

(1) Exclude VAT refundable.

(2) Exclude advances from customers and GST payable.

36. 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 2016 and 2015.

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.

The Group monitors its capital structure as follows:

	Group		**Company**	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Trade and other payables	**33,872,158**	24,506,639	**4,825,296**	4,339,426
Bank borrowings	**18,123,187**	24,953,768	**7,153,106**	9,776,064
Finance lease payables	**6,506,260**	5,477,959	**–**	–
Derivative and liability components of convertible loans	**7,784,432**	7,103,000	**7,784,432**	7,103,000
Less: Cash and short-term deposits	**(12,307,499)**	(18,779,569)	**(2,490,349)**	(2,029,446)
Net debt	**53,978,538**	43,261,797	**17,272,485**	19,189,044
Total equity	**82,955,302**	102,769,029	**75,275,044**	72,404,832
Total capital	**136,933,840**	146,030,826	**92,547,529**	91,593,876
Gearing ratio	**39.4%**	29.6%	**18.7%**	21.0%

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 2016 and 2015.

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FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

37. PRIOR YEAR ADJUSTMENT

	Note	Group 2015 $
Effect of prior year adjustments on beginning accumulated profits/(losses)		
Balance at beginning of financial year, as previously reported		6,037,695
Fair value adjustments to the identifiable assets and liabilities of a subsidiary acquired in 2014	(a)	(6,876,894)
Prior year adjustments:		
– Over-valuation of inventories	(b)	(361,778)
– Overstatement of other reserve	(c)	3,243,060
Balance at beginning of financial year, as restated		2,042,083
Effect of prior year adjustment on asset revaluation reserve		
Balance at beginning of financial year, as previously reported		13,036,463
Prior year adjustment:		
– Over-valuation of land use rights	(d)	(4,158,377)
Balance at beginning of financial year, as restated		8,878,086

	Note	Company 2015 $
Effect of prior year adjustment on beginning accumulated profits		
Balance at beginning of financial year, as previously reported		5,638,185
Prior year adjustment:		
– Overstatement of other reserve	(c)	3,243,060
Balance at beginning of financial year, as restated		8,881,245

Note (a):

The adjustments arose from the finalisation of the purchase price allocation for the acquisition of a subsidiary in the financial year ended 31 March 2014.

Note (b):

The adjustments arose from an error in the assessment of net realisation value of certain inventories of a subsidiary in the prior year. Based on the computation, the inventories were over-valued by $361,778. Adjustment has been made to write down the carrying value of the inventories to its net realisable value for the financial year ended 31 March 2014.

Note (c):

In prior years, the Group had included in other reserve, an amount of $3,243,060 representing the fair value of the amount set aside as contingent consideration for the acquisition of a subsidiary. The contingent consideration was subject to a Profit Incentive Scheme which obliged the Company to deliver a variable number of shares to the previous owners and caused the arrangement to be classified as a financial liability instead of other reserves in equity.

As of 31 March 2013, none of the profit targets were met and the contingent consideration liabilities lapsed on that date. Accordingly, adjustment has been made to reclassify the carrying amount of the contingent consideration from other reserve to accumulated profits as of 31 March 2013.

Note (d):

As at 31 March 2014, the Group revalued its land use rights over a plot of state-owned land in the PRC where the Group's factory resided. However, the land use rights is an operating lease and revaluation method is not applied to operating lease according to FRS 17 Leases. An adjustment has been made to reverse the revaluation surplus and deferred tax liability arising from the revaluation and to bring the accounting of the land use rights back in line with the cost model.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

38. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) Completion of allotment and issuance of new shares in a subsidiary

On 21 April 2016, Terratech completed the allotment and issuance of an aggregate of 68,500,000 new shares to unrelated third parties at an issue price of $0.0405 per share. Following the placement, the total number of issued shares in the capital of Terratech was increased from 615,042,003 shares to 683,542,003 shares. As a result, the shareholding interest of the Group in Terratech was reduced from 62.9% to 56.6%.

(b) Proposed Reverse Takeover of a subsidiary

On 9 June 2016, Terratech announced on the SGX-ST that it had entered into a conditional sale and purchase agreement with the shareholders of Capital City Property Sdn Bhd ("Capital City") to acquire the entire issued and paid-up share capital of Capital City for $300,000,000. The proposed acquisition is expected to result in a Reverse Takeover and is to be satisfied by the issuance of 4,285,174,286 new shares in the capital of Terratech to the shareholders of Capital City at an issue price of $0.07.

39. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2016 were authorised for issue in accordance with a resolution of the directors on 30 June 2016.

STATISTICS OF SHAREHOLDINGS

AS AT 20 JUNE 2016

SHARE CAPITAL

Issued and Fully Paid-up Ordinary Share Capital	:	69,755,147.07
Class of Ordinary Shares	:	Ordinary Shares
Number of Ordinary Shares	:	791,865,686
Voting Rights	:	1 vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	264	17.99	4,466	0.00
100 – 1,000	14	0.95	4,592	0.00
1,001 – 10,000	221	15.05	1,150,136	0.15
10,001 – 1,000,000	911	62.06	108,015,522	13.64
1,000,001 AND ABOVE	58	3.95	682,690,970	86.21
TOTAL	**1,468**	**100.00**	**791,865,686**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	WANG XIAONING	94,273,353	11.91
2	PHILLIP SECURITIES PTE LTD	74,442,956	9.40
3	UOB KAY HIAN PRIVATE LIMITED	57,582,532	7.27
4	ADONIS INVESTMENT HOLDINGS PTE LTD	55,553,978	7.02
5	LEE SUI HEE	53,624,741	6.77
6	RHB SECURITIES SINGAPORE PTE. LTD.	50,005,400	6.31
7	CAI JUNGANG	48,726,267	6.15
8	OCBC SECURITIES PRIVATE LIMITED	39,564,572	5.00
9	MAYBANK KIM ENG SECURITIES PTE. LTD.	33,325,916	4.21
10	LOH CHANG KAAN	32,650,845	4.12
11	TRITECH INTERNATIONAL HOLDINGS PTE LTD (IN MEMBERS' VOL LIQ)	26,792,370	3.38
12	CIMB SECURITIES (SINGAPORE) PTE. LTD.	10,238,048	1.29
13	KGI FRASER SECURITIES PTE. LTD.	6,798,000	0.86
14	TAN GUAN HONG	6,026,126	0.76
15	ANG POON BENG	6,002,500	0.76
16	RAFFLES NOMINEES (PTE) LIMITED	4,149,100	0.52
17	SINGAPORT CLEANSEAS PTE LTD	4,000,000	0.51
18	ZHANG DONGHUI	3,404,000	0.43
19	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,033,100	0.38
20	TAN ENG LEE	3,000,000	0.38
	TOTAL	**613,193,804**	**77.43**

STATISTICS OF SHAREHOLDINGS

AS AT 20 JUNE 2016

SUBSTANTIAL SHAREHOLDERS

NO.	NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST	%	DEEMED INTEREST	%
1	Wang Xiaoning	94,273,353	11.91	–	–
2	Adonis Investment Holdings Pte Ltd	55,553,978	7.02	–	–
3	Lee Sui Hee	53,624,741	6.77	–	–
4	Cai Jungang(1)	48,726,267	6.15	100,000	0.01

Note:

(1) Pursuant to Section 7 of the Singapore Companies Act, Dr Cai Jungang is deemed to have an interest in the shares of the Company held by his spouse, Mdm Bi Xi Ling. Mdm Bi Xi Ling holds 100,000 Shares in the Company as at the end of the financial year.

Based on the information available to the Company as at 20 June 2016, approximately 67.69% 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 20 JUNE 2016

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 – 99	268	29.04	2,459	0.00
100 – 1,000	105	11.38	98,590	0.03
1,001 – 10,000	171	18.51	1,172,068	0.30
10,001 – 1,000,000	334	36.19	46,308,849	11.98
1,000,001 AND ABOVE	45	4.88	338,992,627	87.69
TOTAL	**923**	**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.	33,596,500	8.69
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	14,619,423	3.78
9	TRITECH INTERNATIONAL HOLDINGS PTE LTD (IN MEMBERS' VOL LIQ)	13,396,185	3.47
10	OCBC SECURITIES PRIVATE LIMITED	11,434,036	2.96
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	10,000,000	2.59
12	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	8,245,000	2.13
13	CHENG WA SING	8,182,200	2.12
14	MAYBANK KIM ENG SECURITIES PTE. LTD.	7,420,008	1.92
15	LIM & TAN SECURITIES PTE LTD	6,808,000	1.76
16	PEK CHOON HENG	6,259,000	1.62
17	LIM CHIN TONG	4,743,000	1.23
18	TAN CHIN HOCK	4,448,000	1.15
19	TEO CHER KOON	3,360,900	0.87
20	CHEE LAI KOAN	3,200,000	0.83
	TOTAL	**293,241,844**	**75.88**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 8th Annual General Meeting of the Company will be held at 31 Changi South Avenue 2, Singapore 486478 on Tuesday, 26 July 2016 at 2.30 p.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 2016 together with the Auditors' Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of $235,000 for the financial year ended 31 March 2016 (FY2015: $195,000). ***(See Explanatory Notes)*** **Resolution 2**

3. To re-elect Dr Cai Jungang retiring pursuant to Article 99 of the Constitution of the Company. ***(See Explanatory Notes)*** **Resolution 3**

4. To re-elect Mr Aw Eng Hai retiring pursuant to Article 99 of the Constitution of the Company. ***(See Explanatory Notes)*** **Resolution 4**

5. To re-appoint Ernst & Young LLP as Auditors 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 of Singapore ("**Companies Act**") and Rule 806 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

(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) 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) 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) 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 Constitution 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)***

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:

NOTICE OF ANNUAL GENERAL MEETING

(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 of Singapore ("**Companies Act**"), the Constitution 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;

(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:

NOTICE OF
ANNUAL GENERAL MEETING

(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;

(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) 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

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) 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)***

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, 11 July 2016

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 Annual General Meeting. 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 Annual General 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 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 registered office of the Company at 2 Kaki Bukit Place, #07-00 Tritech Building, Singapore 416180 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 2

The Directors' fees include additional remuneration paid to a Director for the performance of services beyond the ordinary duties of a Director during the last financial year.

Resolution 3

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

Resolution 4

Mr Aw Eng Hai will, upon re-appointment as a Director of the Company, remain as an Independent Director and a member of the Nominating Committee, Audit Committee and the 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.

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) 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) 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 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 2016 are set out in greater detail in the Addendum to this annual report.

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) 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) 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 No.**	**Proportion of Shareholding**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholding**	
		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 Tuesday, 26 July 2016 at 2.30 p.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. The resolutions put to vote at the AGM shall be decided by poll.

No.	**Ordinary Resolutions relating to**	**For****	**Against****
Resolution 1	Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 March 2016		
Resolution 2	Directors' fees of $235,000 for the financial year ended 31 March 2016 (FY2015: $195,000)		
Resolution 3	Re-election of Dr Cai Jungang as Director of the Company		
Resolution 4	Re-election of Mr Aw Eng Hai as Director of the Company		
Resolution 5	Re-appointment of Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration		
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 ______________ 2016

Total number 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 2 Kaki Bukit Place #07-00 Tritech Building Singapore 416180, 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 appointer 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.

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 Lim Yeok Hua	*Independent Director*
Mr Aw Eng Hai	*Independent Director*

NOMINATING COMMITTEE

Professor Yong Kwet Yew	*Chairman*
Mr Lim Yeok Hua	
Mr Aw Eng Hai	
Dr Wang Xiaoning (Jeffrey Wang)	

AUDIT COMMITTEE

Mr Lim Yeok Hua	*Chairman*
Professor Yong Kwet Yew	
Mr Aw Eng Hai	

REMUNERATION COMMITTEE

Professor Yong Kwet Yew	*Chairman*
Mr Lim Yeok Hua	
Mr Aw Eng Hai	

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
30 Tai Seng Street #02-07 | Bread Talk Building | Singapore 534013

SPONSOR

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

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