UNLEASHING OUR **POTENTIAL**

TriTech

TRITECH GROUP LIMITED
ANNUAL REPORT **2015**

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 geotechnical, ground and structural engineering services to 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 Jurong Town Corporation, Land Transport Authority, Housing and Development Board and Public Utilities Board. It has a proven track record in a multitude of high profile public and private sector projects in Singapore, including the MRT Circle and Downtown Lines, the Jurong Rock Cavern in Jurong Island and Reflections @ Keppel Bay.

As part of the Group's strategy to strengthen and diversify its income streams in the long term, Tritech is presently expanding into the water and waste water treatment systems business ("Water-related Business") and the resources business.

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.

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

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
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) MEMBRANE INDUSTRY CO. LTD. (三泰(青岛)膜工业有限公司) (to be change to Tritech Environment Group Co. Ltd.)
  - 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)
- 62.92% 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)
- DIVISION FOR REGIONAL BUSINESS & MARKETING DEVELOPMENT ("RBMD") (区域业务及市场开发部)

CHAIRMAN'S STATEMENT

Tritech has reached a turning point as the Group is ready to harvest the rewards of our efforts and investments in the three business segments.

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 2015 ("FY2015").

Over the past few years, Tritech has focused on our strategy to build a robust business model that will have the benefit of multiple income streams from products and services that target customers in diverse sectors and geographical markets. As a result of our management's continuous efforts, the Group has established three major and distinct business segments – the Engineering business; Water-related and Environmental business; and Marble Resource business.

During FY2015, the Group continued to strengthen the foundation of this unique business model by embarking on several operational and corporate initiatives to drive the future growth of our three business segments. In terms of financial performance however, the Group reported a larger loss in FY2015. This was due mainly to higher administrative expenses in connection with the listing of Terratech Group Limited ("Terratech") which is our Marble Resource business and a one-off loss of S$2.2 million that was incurred for a completed sewerage project at our Engineering business. Moreover, Terratech and our Water-related and Environmental business were still in the nascent stages of operations in FY2015 and had yet to attain meaningful scale for their respective revenues to cover fixed overhead operating expenses. Having said that however, we believe Tritech has reached a turning point as the Group is ready to harvest the rewards of our efforts and investments in the three business segments.

Since Tritech's inception in 1999, the Engineering business has been and continues to be the Group's core business. While operating conditions in Singapore have become more challenging in recent years due to intense competition and rising direct costs, our Engineering business has built a strong competitive edge in public sector projects, leveraging on our proven track record and established reputation in geotechnical and geological services. As a result, the Engineering business was able to secure new contracts worth over S$100 million from major customers during FY2015, including several contracts with the Land Transport Authority ("LTA") for the Thomson Line and multiple contracts with the Public Utilities Board ("PUB"). This has boosted the order book of the Engineering business to approximately S$150 million as at 30 June 2015.

We see good prospects for our Engineering business as the Singapore government intends to roll out more infrastructure projects that will extend up to 2030, such as the Thomson-East Coast Line, Cross Island Line, Jurong Regional Line and North-South Expressway. Hence, we will continue to focus on securing government infrastructure projects as well as specialised engineering projects that require advanced technical knowledge and capabilities. We have also invested in technologically advanced machinery which will enable the Engineering business to reduce its reliance on manpower and improve productivity. Hence, our management is confident in the performance of the Engineering business for the current financial year.

Over the last few years, the Group has been developing our Water-related and Environmental business towards being one of the leading water-related service providers in Singapore and the region, particularly in China. We now have our own unique and competitive water-related products in the water treatment membrane technology, and real-time water quality and environmental monitoring technology. On top of that, the Group has built extensive sales coverage of the major cities in China. We believe that Tritech is now in a better position to seize the opportunities offered by this vast and fast-growing market.

Our manufacturing facility in Qingdao, China is in the production stage and we are actively marketing our membranes and membrane-related products for water and waste water treatment. Our EPC business, which focuses on waste water treatment, and municipal water treatment and supply projects in China, has been performing well since it was acquired by the Group in 2013. As at 30 April 2015, our Water-related and Environmental business had an order book of approximately S$17 million of which about S$11 million are from projects in China.

Tritech entered into a framework agreement with Jiaonan Economic Development Zone Governing Committee (胶南经济开发区管理委员会) in July 2014 which gives the Group the exclusive right to design, build and operate water recycling plants within the Jiaonan Economic Development Zone (胶南经济开发区) for an initial period of 30 years. Located in Jiaonan City, Qingdao, Jiaonan Economic Development Zone has been an investment hotspot for companies involved in tourism, research and development, food manufacturing, pharmaceuticals, marine and new materials technology. With the expected increase in demand for recycled water from industrial and residential customers in Jiaonan City, we believe this agreement is positive for the future growth of our Water-related and Environmental business.

To facilitate further development of our Water-related and Environmental business, the Group has engaged the services of Beijing Hua Xia Dao He to provide assistance in securing financing for city water and environment development; industrial water development; and acquisition opportunities. In January 2015, the Group also received a non-binding letter of an expression of interest from a reputable international financial institution which indicated interest to potentially commit up to US$3 billion over the next five years for projects developed by Tritech. Such projects would include municipal water supply, waste water treatment, water reclamation, water and environmental monitoring, and other water and environmental related projects developed under Build-Operate-Transfer, Public-Private-Partnership and similar schemes in China and Asia Pacific region.

In order to better align the Group's corporate structure and optimise our resources to meet the demands of increasing market share for our Water-related and Environmental business, we are currently undertaking an internal group restructuring exercise. This will see all our subsidiaries engaged in water and environmental business housed under a single intermediate holding company which will be named Tritech Environmental Group Co. Ltd. This restructuring exercise reflects our confidence and determination to develop our Water-related and Environmental business into a significant enterprise. With a single entity, we will be better positioned to enhance our branding in the environmental sector and also form a well-delineated corporate structure to facilitate investments for the future development and growth of our Water-related and Environmental business.

The Group believes that there is exciting growth potential for our Water-related and Environmental business in the long term. With the stringent requirements on environmental control and scarcity of water resources in China and the neighbouring region, our management expects an improvement in the Water-related and Environmental business in the coming year.

As for our Marble Resource business, Tritech scored a major milestone in July 2014 with the successful Initial Public Offering ("IPO") and listing of Terratech shares on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). With its own separate listing, Terratech now has a ready platform to access the capital markets and is in a stronger position to execute its business strategy and expansion plans.

During FY2015, we witnessed good progress at Terratech's quarry operations in Kelantan, Malaysia. We also increased our marketing efforts to raise awareness and enhance the branding of Terratech's marble products in China and other overseas markets. Terratech has also been taking steps to strengthen its capabilities. The acquisition of Shaanxi Hengyu Architectural Interior Engineering Co. Ltd in December 2014 has enabled Terratech to form a complete value chain from marble resource and marble products to decoration services. This has provided Terratech with the capability to provide a quality one-stop service to the large property developers and infrastructure/public developments or projects by local government in the PRC.

Terratech is currently negotiating to acquire a group of companies, 宜兴市美联常弛石业有限公司 ("Meilian Changchi"), 宜兴市新弛石业有限公 ("Xinchi") and 上海美联常弛国际贸易有限公司 ("Shanghai Meilian Changchi") (collectively the "Meilian Changchi companies"), which produces and sells marble tiles and marble mosaic tiles to markets in North and South America, Canada, Europe, among others. The proposed acquisition will enable Terratech to extend its business downstream into the production of marble tiles as well as expand its sales to the USA market. More information on Terratech's business progress can be found in its annual report for the year ended 31 March 2015.

Appreciation

In closing, I would like to thank my fellow directors for their invaluable counsel and contributions. On behalf of the Board, I also wish to express my appreciation to the management and staff for their hard work, commitment and contributions to the Group. Last but not least, I wish to thank our customers, business partners and shareholders for their continuing support of Tritech.

Professor Yong Kwet Yew
Non-Executive Chairman

MANAGING DIRECTOR'S MESSAGE

Tritech has grown from an engineering services company to a much larger entity with scalable businesses in water-related and environmental products and services, and marble resource.

Dear Shareholders,

During the financial year ended 31 March 2015 ("FY2015"), Tritech Group Limited ("Tritech" and together with its subsidiaries, the "Group") continued to build on the foundation and widen the market presence of our Water-related and Environmental, and Marble Resource businesses. Indeed, these two businesses have crossed significant operational milestones and the Group is primed to harvest the rewards of our efforts spent on nurturing these businesses for new growth opportunities.

I take pride in Tritech's distinctive development from a company engaged in geotechnical and ground engineering services in Singapore into a much larger entity today with scalable businesses in water-related and environmental products and services as well as marble resource. We believe that the promising potential of our Water-related and Environmental, and Marble Resource businesses will drive Tritech's long-term fundamental value.

With increasing attention being placed on environmental issues and the shortage of water supply in China, we believe the backdrop is positive for our Water-related and Environmental business. As at 30 April 2015, this business had an order book of approximately S$17 million, of which about S$11 million came from projects in China. The management is of the view that the performance of our Water-related and Environmental business is expected to improve in FY2016.

We have also successfully completed the listing of Terratech Group Limited ("Terratech"), which operates our Marble Resource business, on the Catalist of the Singapore Exchange Securities Trading Limited in July last year. Following the listing, Tritech owns around 62.92% equity interest in Terratech.

China is also a vast market for marble which is a valuable natural resource. Terratech has already begun production of marble blocks at our quarry in Kelantan, Malaysia, and commenced sales. During FY2015, Terratech was actively engaged in marketing programs to raise the awareness of its brand and products in China and other overseas markets.

As for our core Engineering business in Singapore, it continues to face industry headwinds stemming largely from rising manpower costs amid a shortage in labour supply. The increase in labour cost took a toll particularly on the profitability of prior long-term contracts that were secured years ago. However, for the new contracts awarded during FY2015, we were able to factor in current industry conditions and mitigate to a certain extent, the impact of higher labour costs going forward.

Hence, as older projects move towards completion, we believe our Engineering Business will be in a better shape than before. With our focus on public sector infrastructure projects, and a strong order book of S$150 million as at 30 June 2015 (S$123.91 million as at 30 June 2014), the management remains confident of the long-term prospects of this business.

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 S$46.3 million in FY2015, a marginal increase of 0.4% from S$46.1 million in FY2014. Gross profit margin of the Engineering Business in FY2015 was lower than FY2014 due partly to higher direct wages and a one-off gross loss from a sewerage project which has been completed.

Due to unforeseen changes in the ground conditions for this sewerage project in Jurong Lake District, the Group experienced a delay and incurred additional costs to complete the project. Such issue may not recur for future sewerage projects as the Group has since invested in technologically advanced machinery.

While industry competition remained keen, Tritech continued to win new contracts with total value of more than S$100 million during FY2015.

Tritech was awarded several new contracts from the LTA for the provision of Specialist Engineering services in relation to the construction of the Thomson Line ("TSL"). The TSL is the sixth mass rapid transit line in Singapore comprising 22 stations and 6 interchange stations with a 30 kilometers (km) underground train line between Woodlands North and Gardens by the Bay stations. The contracts awarded by LTA include:

<u>Instrumentation and monitoring services</u>

- **S$6.298 million contract** – For contracts T220 and T221 in relation to a 2.2km tunnel involving Great World and Havelock stations; commenced on 7 April 2014 and completion is expected to take place in December 2020.
- **S$9.955 million contract** – For contracts T225 and T226 in relation to a 1.5km tunnel covering Shenton Way and Marina Bay stations; commenced on 21 April 2014 and completion is expected to take place in December 2020.

- **S$6.099 million contract** – For contracts T218 and T219 in relation to a 0.9km tunnel from Orchard Boulevard to Orchard stations; commenced on 2 June 2014 and completion is expected to take place in December 2020.

Qualified Person (Supervision) Services

- **S$13.795 million contract** – Supervision of contracts T227 and T228 in relation to TSL Marina South Station and Gardens by the Bay Station; commenced on 22 September 2014 and completion is expected to take place in December 2020.

The Group also secured a S$7.014 million contract from LTA to design, supply, install and maintain a tunneling and excavation monitoring system to capture instrumentation and tunneling information extracted from geotechnical instrumentation devices into a single repository. This contract is effective from 6 June 2014 to 30 June 2021.

Tritech also bagged multiple contracts from the Public Utilities Board ("PUB"). The consortium formed between our subsidiary Tritech Consultants Pte Ltd and Black & Veatch (Sea) Pte Ltd, was awarded a S$18.479 million contract to provide professional engineering services for a proposed portable water pipeline system from Murnane Service Reservoir to the city and a pipeline to Fort Canning Service Reservoir. This contract started in November 2014 and is expected to be completed by May 2019. Tritech Consultants' portion of this PUB contract is around S$8.8 million.

The Group has also secured several new contracts totaling over S$50 million from PUB to provide Ground and Structural Engineering services for proposed sewer projects. These services include pipeline supply and installation, and construction of reinforced concrete manholes. The new contracts awarded by PUB during FY2015 include:

- **S$7.016 million contract** – for a proposed sewer project in Tagore Drive area; commenced in May 2014 and completion is expected to take place in November 2015.
- **S$15.1 million contract** – for a proposed sewer project in Mandai Road area; commenced in August 2014 and completion is expected to take place in August 2017.
- **S$11.5 million contract** – for a proposed sewer project in Woodlands Road area; commenced in November 2014 and completion is expected to take place in March 2017.
- **S$19.24 million contract** – for a proposed sewer project in Sembawang Road and Sembawang Avenue areas; commenced in December 2014 and completion is expected to take place in June 2017.

Water-Related and Environmental Business

Revenue from our Water-Related and Environmental business in FY2015 increased 31.1% or S$2.8 million to S$11.8 million from S$9.0 million in FY2014. This was attributed mainly to higher revenue from the sale of our membranes and membrane-related products, 12-months of revenue contribution from our engineering procurement construction ("EPC") business that was acquired in 2013, and increase in revenue from provision of real-time monitoring services.

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.

Thanks to our continuous development efforts, our Water-related and Environmental business has developed unique competitive strengths built upon 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.

The Group remains active in real-time environmental monitoring services in Singapore. In February 2015, we secured a contract worth S$4.92 million

MANAGING DIRECTOR'S MESSAGE

from the PUB to provide water quality profiling services and maintenance of water quality stations and equipment in Singapore catchments and reservoirs. This contract started in February 2015 and will be completed in November 2019.

Our membrane manufacturing base in Qingdao is fully operational and we are actively marketing our membranes and membrane related products in China. To this end, the Group has been expanding its sales presence across China to cover more than seven locations including Beijing, Shanghai, Jinan, Hefei, Yixing, Xi'an and Qingdao. Leveraging our in-house membrane manufacturing capabilities, we are able to provide integrated solutions across the industry value chain. The Group's products also include consumer water purifier systems for household use, as well as small-to-medium scale industrial water purification systems and desalinators that are built on our advanced membrane technologies.

Our EPC division, which has a proven track record in waste water treatment, and municipal water treatment and supply projects in China, also continues to perform well.

Today, the Group has built a complete value chain for water and environmental services comprising:

1. **Technical Design**
   We provide customers with high value-added engineering services in water treatment and environmental protection.

2. **Products Supply**
   Our capabilities to provide a complete range of membrane and membrane-related products enable us to offer remarkable service standards to customers.

3. **Construction and Build**
   We have successfully completed hundreds of EPC waste water treatment projects. Backed by the extensive experience and capabilities of our management and team, the Group is competitively positioned to provide customers with quality solutions for waste water treatment plants.

4. **Operation of Water Plants**
   Thanks to our Class A License, the Group is able to offer customers our professional services in the operation of waste water treatment plants and enable them to benefit from cost savings.

5. **Environmental Monitoring and Protection**
   Our advanced technologies and experience in water and environmental monitoring has enabled the Group to be an outstanding provider of unique services and products for various water and environmental monitoring and protection projects.

For the year-to-date, our Water and Environmental business in China has amassed an order book of more than S$10 million.

In July 2014, the Group entered into a framework agreement with Jiaonan Economic Development Zone Governing Committee（胶南经济开发区管理委员会）to exclusively design, build and operate water recycling plants within the Jiaonan Economic Development Zone (胶南经济开发区) (the "Project") for an initial period of 30 years.

The total investment to design, build and operate water recycling plants in Jiaonan Economic Development Zone is expected to reach US$200 million which shall be invested in stages. In view of an expected increase in demand for recycled water in Jiaonan city, and the 30-year exclusive operating rights, our Water-related and Environmental business will stand to benefit from the Project. Moreover, the Group has strong technological expertise in water recycling utilising the membranes and membrane-related products manufactured in our factory located in Jiaonan, Qingdao.

Marble Resource Business

The Marble Resource business contributed revenue of S$4.0 million in FY2015, an increase of S$3.5 million from S$0.5 million in FY2014, driven by higher marble sales of S$3.7 million and maiden contribution of S$0.3 million from Shaanxi Hengyu which was acquired in December 2014. Sales of marble products commenced only from the last quarter of FY2014.

We stepped up our marketing efforts during FY2015 to strengthen awareness of our marble products in China and other overseas markets. I am pleased to report that our endeavours in China are yielding positive results as Terratech's brand and products are steadily gaining traction.

Terratech participated in several trade exhibitions and forged strategic alliances in China to widen sales channels and accelerate the market penetration of our marble products. A case in point is Terratech's acquisition of a 80% stake in Shaanxi Hengyu Architectural Interior Engineering Co. Ltd. ("Shaanxi Hengyu"), an architectural designer and contractor based in Xi'an, Shanxi Province. This has not only provided an important platform for Terratech to gain immediate market access and tap a broader network of prospective customers, it also enabled Terratech to form a complete value chain from marble resource and marble products to decoration services. We believe this integration will enable Terratech to compete more effectively for major property development and government public projects in future.

Besides our main market in China, Terratech has also set its sights on other countries such as Malaysia, Singapore, Taiwan, India, Europe, Middle East and the USA. As part our marketing initiatives, Terratech has participated in various trade fairs in Italy, the USA and the Middle East. The response received at these Stone Fairs is very encouraging.

At our quarrying operations, Terratech has already commenced production at Hill 2B and we are now channeling our resources on the development of Hill 1 and Hill 2A which will broaden the range of our white marble products.

Besides marble blocks and slabs, Terratech also plans to sell aggregates from marble pieces which are broken blocks or loose fragments. Following the engagement of a third-party factory in Malaysia to process marble pieces into aggregates, we expect sales of aggregates to commence in May 2015.

More information on the progress of our Marble Resource business can be found in Terratech's annual report for the year ended 31 March 2015.

Financial Review

Income Statement

The Group's revenue increased by S$6.4 million to S$62.1 million in FY2015 from S$55.7 million in FY2014, attributable mainly to the increase in revenue from our Water-related and Environmental and Marble Resource businesses.

Gross profit declined by S$4.6 million to S$8.6 million in FY2015 from S$13.2 million in FY2014, due mainly to a one-off gross loss related to a ground and structural engineering project, and impact of higher direct wages for engineering services.

Administrative expenses increased by S$13.5 million to S$26.5 million in FY2015 from S$13.0 million last year. The increase was due mainly to non-cash, one-off expenses arising from the transfer of a portion of Tritech's shares in Terratech at a fair value of S$9.9 million in consideration of certain services provided by Successive Investments Limited and Crescent Worldwide Investment Ltd; shares issue expenses of S$1.0 million in relation to the issue of 5.813 million new shares to Successive Investments Limited for services rendered; professional fees of S$1.8 million; increase in salaries and office expenses of S$0.8 million.

Distribution expenses in FY2015 increased by S$0.7 million to S$1.6 million from S$0.9 million in FY2014 due to higher transportation costs and depreciation of motor vehicles for Water-related and Environmental, and Marble Resource businesses. However, other expenses decreased by S$2.2 million to S$11.3 million from S$13.5 million a year ago as a result of lower fair value loss (non-cash expense) on convertible bond.

Finance costs climbed to S$2.7 million in FY2015, an increase of S$0.6 million from S$2.1 million due mainly to interest incurred for convertible loans taken up in September 2014.

As a result of the above factors, the Group recorded a loss after tax of S$31.7 million in FY2015 compared to a loss after tax of S$14.9 million in FY2014. The majority of the loss incurred in FY2015 was attributed to one-off administrative expenses amounting to around S$12.7 million and the net loss of S$12.3 million from Terratech as our Marble Resource business is in initial stages of development.

Financial Position

As at 31 March 2015, the Group had shareholders' equity of S$93.1 million, and cash and cash equivalents of S$18.8 million. Net gearing as at 31 March 2015 was approximately 0.20 times.

Non-current assets increased by S$12.3 million to S$86.2 million as at 31 March 2015, from S$73.9 million as at 31 March 2014. This was attributed primarily to increase in property, plant and equipment of S$11.5 million and increase in intangible assets of 0.8 million arising from the acquisition of a subsidiary Shaanxi Hengyu, by Terratech.

Current assets as at 31 March 2015 increased to S$90.8 million from S$76.5 million as at 31 March 2014. The increase of S$14.3 million was partly attributed to higher inventories of marble products and our Water-related and Environmental Business in China. Trade and other receivables also increased during FY2015 due to higher sales from our Water-related and Environmental, and Marble Resource businesses, while the increase in amount due from contract customers was attributed to our Engineering and Water-related and Environmental businesses. Prepayments were also higher at the end of FY2015 as a result of advance payments to suppliers.

Current liabilities as at 31 March 2015 decreased by S$5.9 million to S$54.1 million from S$60.0 million as at 31 March 2014. The decline was due mainly to the conversion of convertible bond of $23.3 million. This was partially offset by higher trade and other payables of our Engineering and Water-related and Environmental businesses at the end of March 2015; as well as an increase in bank borrowings for our Water-related and Environmental business.

Non-current liabilities amounted to S$20.1 million as at 31 March 2015, an increase of S$7.7 million from S$12.4 million as at 31 March 2014. This was mainly due to the convertible loans of S$6.3 million and increase in deferred tax liabilities.

Cashflow Statement

In FY2015, the Group used net cash of S$13.1 million for operating activities. The Group recorded an operating cash outflow of S$6.6 million before working capital changes. This was partially offset by income tax refunds and interest income totaling S$0.6 million.

Net cash used in investing activities in FY2015 amounted to S$7.1 million, mainly for the purchase of property, plant and equipment, intangible assets and acquisition of Shaanxi Hengyu.

Net cash generated from financing activities was S$20.2 million, attributed mainly to proceeds from convertible loans, proceeds from issue of Shares to non-controlling Interest and a net increase in bank borrowings. These were offset partially by interest payments during FY2015.

As a result, the Group recorded a decrease in cash and cash equivalents of S$0.1 million in FY2015. After taking into account currency translation differences, the Group had cash and cash equivalents of S$11.5 million as at 31 March 2015 compared to S$11.6 million as at 31 March 2014.

Appreciation

I wish to record my sincere appreciation to our shareholders, customers, suppliers and business partners for continuing to support Tritech group of companies. To my management and staff, I am grateful for your commitment and tireless effort to build Tritech into a larger corporate entity today with three solid businesses. The entire journey has not been without its challenges but I am pleased to say that today, our three businesses stand on firmer ground to realise our goals and enhance the Group's long-term value.

Dr Jeffrey Wang
Managing Director

WORKING BEYOND **EXCELLENCE**

As a result of its strong competitive edge in Singapore's public sector projects, our Engineering business was able to secure several new contracts from the LTA and PUB during FY2015 which have boosted its order book to approximately S$150 million as at 30 June 2015.

BOARD OF DIRECTORS

PROFESSOR YONG KWET YEW
Non-Executive Chairman and Independent Director

DR JEFFREY WANG
Managing Director

DR CAI JUNGANG
Executive Director

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 27 July 2012. 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 nonexecutive 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 27 July 2012. 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 21 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

MR LIM YEOK HUA
Independent Director

MR AW ENG HAI
Independent Director

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 16 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 committee member 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 Grant Thornton LLP where he is in charge of the various departments providing specialist advisory services. He has more than 12 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.

DISCOVERING NEW **RESOURCES**

Terratech's brand and marble products steadily gained traction as we intensified our marketing efforts in FY2015. Terratech also executed strategic initiatives in China to widen sales channels and build a complete value chain from marble resource, marble products to decoration services.


TriTech

MILESTONES 1999-2015

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

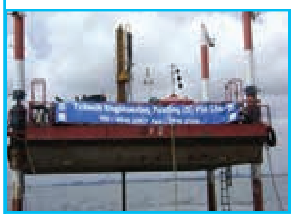
1 Aug 2000
Tritech Malaysia registered, to expand the Group's operations in Malaysia

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

2007 2008 2009 2010 2011 2012 2014 2015

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

Aug **2008**
Tritech successfully completed its IPO

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

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

18 Jan **2010**
Registration of Tritech Qingdao

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

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

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

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

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

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

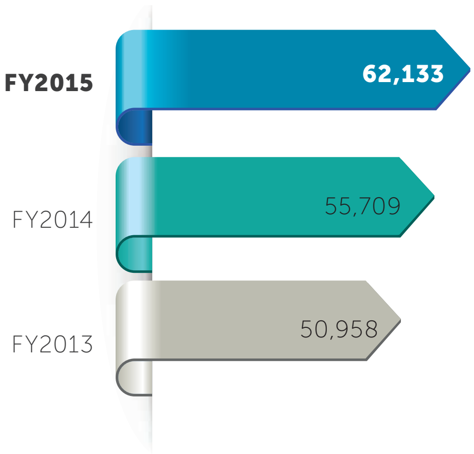
June **2015**
SINTEF-TRITECH-MULTICONSULT Consortium was awarded the Singapore Design 2015 for the Jurong Rock Cavern Project

STRENGTHENING OUR **COMPETENCIES**

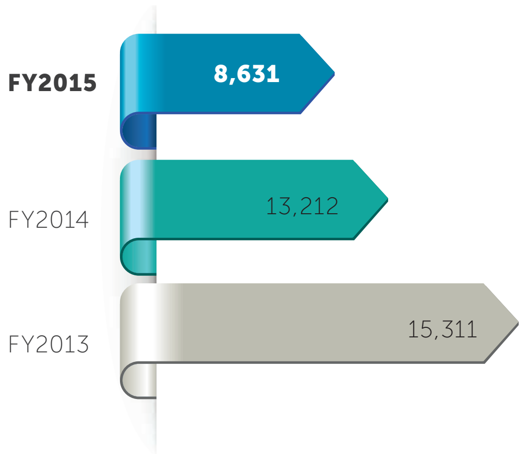
The Group has built a complete value chain for water and environmental services, spanning high-value engineering services, membrane and membrane-related products, EPC and operation of water treatment plants, as well as water and environmental monitoring technologies.

GROUP FINANCIAL **HIGHLIGHTS**

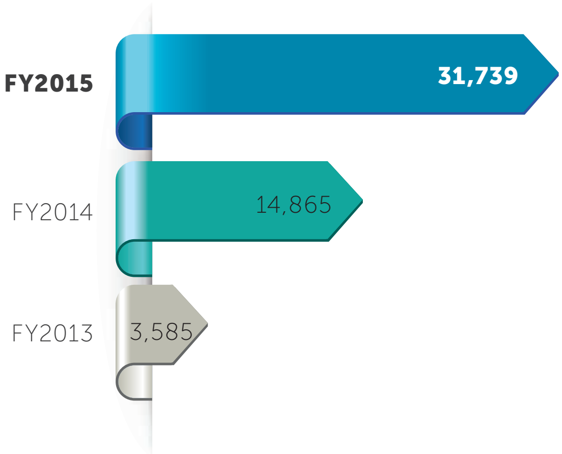
CONSOLIDATED REVENUE (S$'000)



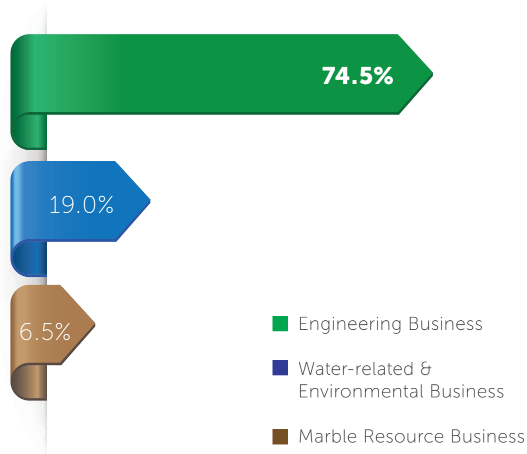
CONSOLIDATED GROSS PROFIT (S$'000)



CONSOLIDATED LOSS AFTER INCOME TAX (S$'000)



FY2015 REVENUE BY BUSINESS SEGMENTS %



	FY2015 $'000	FY2014 $'000	FY2013 $'000
At Balance Sheet Date			
Total Assets	177,019	150,292	124,634
Total Liabilities	74,249	72,532	62,322
Shareholders' Funds	93,133	77,758	62,312
Per Ordinary Share (cents)			
Loss per share	(3.76)	(1.93)	(1.23)
Financial Indicators			
Revenue growth (%)	11.5	9.3	(1.2)
Return on shareholders' funds (%)	(31.3)	(19.1)	(5.8)
Return on total assets (%)	(18.1)	(10.0)	(2.9)

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 2015 ("**FY2015**"), 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 FY2015.

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="2">BOARD MATTERS</td><td></td></tr>
<tr><td colspan="2">The Board's Conduct of Affairs</td><td></td></tr>
<tr><td>1.1</td><td>What is the role of the Board?</td><td>
The Board has five (5) members and comprises the following:
<table>
<tr><th colspan="2">Table 1.1 – Composition of the Board</th></tr>
<tr><th>Name of Director</th><th>Designation</th></tr>
<tr><td>Dr Wang Xiaoning</td><td>Managing Director ("MD")</td></tr>
<tr><td>Dr Cai Jungang</td><td>Executive Director</td></tr>
<tr><td>Dr Loh Chang Kaan[1]</td><td>Non-Executive Director</td></tr>
<tr><td>Professor Yong Kwet Yew</td><td>Non-Executive Chairman and Independent Director</td></tr>
<tr><td>Mr Lim Yeok Hua</td><td>Independent Director</td></tr>
<tr><td>Mr Aw Eng Hai</td><td>Independent Director</td></tr>
</table>
(1) Ceased as Non-Executive Director of the Board on 30 July 2014 following the listing of Terratech Group Limited on the Catalist of the SGX-ST.

The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board's principle functions are to:
• provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
• establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
• review the Management's performance;
• identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
• set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
• consider sustainability issues such as environmental and social factors, as part of its strategic formulation.
</td></tr>
<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">Table 1.3 – Composition of the Board Committees</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>
</table>

CORPORATE
GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1.4</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 FY2015, 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">Table 1.4 – Board and Board Committee Meetings in FY2015</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><th>Name of Director</th><th colspan="4">Number of Meetings Attended</th></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>Dr Loh Chang Kaan(1)</td><td>1</td><td>1</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>
(1) Ceased as Non-Executive Director of the Board on 30 July 2014 following the listing of Terratech Group Limited on the Catalist of the SGX-ST.

The Company's Articles of Association (the "Articles") allow for meetings to be held through telephone and/or video-conference.</td></tr>
<tr><td>1.5</td><td>What are the types of material transactions which require approval from the Board?</td><td>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' Report thereto;
• any public reports or press releases reporting the financial results of the Group's operations; and
• matters involving a conflict or potential conflict of interest involving a substantial shareholder or a Director.</td></tr>
<tr><td>1.6</td><td>(a) Are new Directors given formal training? If not, please explain why.</td><td>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 he is 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").</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	Briefings, updates and trainings for the Directors in FY2015 include: The external auditors ("**EA**") had briefed the AC on changes or amendments to accounting standards; • The EA briefed the AC on the 2012 Corporate Governance Code and recommended that as part of the whistle-blowing policy of the Company, the Company should have procedures in place to allow staff to have an avenue for raising issues to the Company; • The Company Secretary, where appropriate, had briefed the Board on the new requirements under the Listing Manual and Companies Act; and • All Directors are required to attend the appropriate LCD conducted by the SID.
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 1/2 of the Board.
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	The NC is 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 is no Director 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 is no Independent Director who has served beyond nine years since the date of his first appointment.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
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.
	(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.	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.
	(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 without the presence of management at least once in FY2015.
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 Managing Director 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 Managing Director of the Company. There is a clear division of responsibilities between the Non-Executive Chairman and the Managing Director, which ensures there is a balance of power and authority, and that accountability and independent decision-making are not compromised. The Managing Director 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 Managing Director 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 key management personnel?	The Independent Directors have met without the presence of management at least once in FY2015.
Board Membership		
4.1	(a) What are the duties of the NC?	The key terms of reference of the NC are, *inter alia,* 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; and (f) the review of board succession plans for Directors and 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 duties to the Company. The NC would monitor and determine annually, on a case-by-case basis, whether the Directors have given sufficient time and attention to the affairs of the Company and adequately carried out their duties as Director of the Company. Although some of the Directors have other board representations, the NC is satisfied that in FY2015, each Director is able to devote adequate time and attention to the affairs of the Company to fulfil his duties as a Director of the Company.
	(c) What are the specific considerations in deciding on the capacity of directors?	The considerations in assessing the capacity of Directors include the following: • Expected and/or competing time commitments of Directors; • Geographical location of Directors; • Size and composition of the Board; and • Nature and scope of the Group's operations and size.

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>(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 FY2015.</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">Table 4.6(a) – Process for the Selection and Appointment of New Directors</th></tr>
<tr><td>1.</td><td>Determination of selection criteria</td><td>• The NC identifies the key attributes that an incoming Director should have, based on attributes of the existing Board and the requirements of the Company.</td></tr>
<tr><td>2.</td><td>Search for suitable candidates</td><td>• The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</td></tr>
<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">Table 4.6(b) – Process for the Re-electing Incumbent Directors</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>
<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.

All Directors are subject to re-nomination and re-election at regular intervals 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.

The Company's Articles of Association also provides that a newly appointed Director must retire and submit himself/herself for re-election at the next AGM following his/her appointment. In addition, Directors above the age of 70 are required under the Companies Act, Chapter 50 of Singapore (the "Companies Act") to retire and offer themselves for re-appointment by shareholders at every AGM.</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>The NC has recommended to the Board that Professor Yong Kwet Yew and Dr. Wang Xiaoning be re-elected at the forthcoming AGM. The Board has accepted the NC's recommendation.

Professor Yong Kwet Yew will, upon re-election as a Director of the Company, remain as Non-Executive Chairman and Independent Director, Chairman of RC and NC and a member of AC. The board considers Professor Yong Kwet Yew to be independent for the purpose of Rule 704(7) of the SGX-ST Listing Manual Section B: Rules of the Catalist (the "Catalist Rule").

Dr. Wang Xiaoning will, upon re-election as a Director of the Company, remain as Managing Director and a member of NC.</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 and 13 of this annual report.</td></tr>
<tr><td colspan="3">Board Performance</td></tr>
<tr><td>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>Performance Criteria</th><th>Board and Board committees</th></tr>
<tr><td rowspan="5">Qualitative</td><td>1. Size and composition, Access to information and Board processes</td></tr>
<tr><td>2. Strategic planning</td></tr>
<tr><td>3. Board accountability</td></tr>
<tr><td>4. Risk management</td></tr>
<tr><td>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 Committee 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>
</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>(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 become more mature and established in its business and corporate governance practices.

In FY2015, 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 were collated and submitted to the NC Chairman who reviewed it together with the members of the NC; and
3. The members of 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>
<tr><td></td><td>(b) Has the Board met its performance objectives?</td><td>For FY2015, 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 Committee 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">Access to Information</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>
<table>
<tr><th colspan="3">Table 6 – Types of information provided by key management personnel to Independent Directors</th></tr>
<tr><th></th><th>Information</th><th>Frequency</th></tr>
<tr><td>1.</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>Quarterly</td></tr>
<tr><td>2.</td><td>Updates to the Group's operations and the markets in which the Group operates in</td><td>Quarterly</td></tr>
<tr><td>3.</td><td>Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and EA' report(s)</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' memorandum and the Articles, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act (Chapter 50) of Singapore 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 and its 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		
Developing Remuneration Policies		
7.1	What is the role of the RC?	The key terms of reference of the RC are, *inter alia*, 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) reviewing and recommending 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 Managing Director whose remuneration exceeds S$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.
7.3	Were remuneration consultants engaged in the last financial year?	There were no remuneration consultants engaged by the Company in FY2015.
Disclosure on Remuneration		
9	What is the Company's remuneration policy?	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 Directors 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.

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>9.1
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 FY2015 is as follows:

<table>
<tr><th>Name</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>90.1</td><td>7.5</td><td>–</td><td>2.4</td><td>100</td></tr>
<tr><td>Dr Cai Jungang</td><td>89.5</td><td>7.5</td><td>–</td><td>3.0</td><td>100</td></tr>
<tr><td>Dr Loh Chang Kaan</td><td>97.7</td><td>–</td><td>–</td><td>2.3</td><td>100</td></tr>
<tr><td>Professor Yong Kwet Yew</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Mr Lim Yeok Hua</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Mr Aw Eng Hai</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.

In addition, Professor Yong Kwet Yew, Dr Wang Xiaoning, Dr Cai Jungang, Dr Loh Chang Kaan, Mr Lim Yeok Hua and Mr Aw Eng Hai has also received 500,000, 500,000, 500,000, 500,000, 500,000 and 1,000,000 of share-based awards respectively. Details of performance shares can be found on page 40 of this Annual Report.</td></tr>
<tr><td>9.3</td><td>(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) in FY2015 is as follows:

<table>
<tr><th>Name</th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits (%)*</th><th>Total (%)</th></tr>
<tr><td>Dr Hong Sze Han</td><td>81.6</td><td>10.1</td><td>8.3</td><td>100</td></tr>
<tr><td>Bi Xiling</td><td>81.6</td><td>10.6</td><td>7.8</td><td>100</td></tr>
<tr><td>Lincoln Kwok</td><td>79.8</td><td>8.0</td><td>12.2</td><td>100</td></tr>
<tr><td>Mui Siew Yun(1)</td><td>93.5</td><td>–</td><td>6.5</td><td>100</td></tr>
</table>

* includes mainly employee's contributions to the Central Provident Fund.

(1) Ms Mui Siew Yun was granted shares under the Tritech Group Performance Share Plan on 26 November 2014, subsequent to her appointment as Financial Controller ("FC") of Terratech Group Limited on 20 June 2014. Further information can be found on the announcement dated 26 November 2014.

In addition, Madam Bi Xiling has also received 100,000 of share-based awards.</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 4 key management personnel in FY2015 was S$407,842. (excluding the granted shares for Mui Siew Yun and Madam Bi Xiling)</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>9.4</td><td>Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</td><td>Bi Xiling is the spouse of Dr Cai Jungang, who is the Executive Director of the Company. The remuneration of Bi Xiling is between S$100,000 to S$150,000.</td></tr>
<tr><td>9.5</td><td>Please provide details of the employee share scheme(s).</td><td>Information on the Company's performance awards is set out on page 40 of this Annual Report.</td></tr>
<tr><td rowspan="3">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 FY2015. 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>
<tr><td>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</td><td>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:
<table>
<tr><th colspan="3">Table 9.6(b)</th></tr>
<tr><th>Performance Conditions</th><th>Short-term Incentives (such as performance bonus)</th><th>Long-term Incentives (such as share scheme)</th></tr>
<tr><td>Qualitative</td><td>1. Leadership
2. People development
3. Commitment
4. Teamwork
5. Current market and industry practices</td><td>1. Commitment
2. Current market and industry practices</td></tr>
<tr><td>Quantitative</td><td>1. Relative financial performance of the Group to its industry peers</td><td>1. Relative financial performance of the Group to its industry peers</td></tr>
</table></td></tr>
<tr><td>(c) Were all of these performance conditions met? If not, what were the reasons?</td><td>Yes, the RC had reviewed and was satisfied that the performance conditions were met in FY2015.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
ACCOUNTABILITY AND AUDIT		
Risk Management and Internal Controls		
11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	The Board is 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 FY2015. The bases for the Board's view are as follows: 1. Assurance has been received from the MD, 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; 4. Discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns; and The Company is gradually placing emphasis on sustainability and would implement appropriate policies and programmes when the opportunities arise.
	(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 a 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 FY2015.
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;

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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>

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.

</td></tr>
<tr><td>12.5</td><td>Has the AC met with the auditors in the absence of key management personnel?</td><td>Annually, the AC has met with the IA and the EA separately without the presence of the management and this has been done in FY2015.</td></tr>
<tr><td rowspan="3">12.6</td><td>Has the AC reviewed the independence of the EA?</td><td>The AC has reviewed the non-audit services provided by the EA of the Company and is satisfied that the nature and extent of such services would not prejudice the independence of the EA, and has recommended the re-appointment of the EA at the forthcoming AGM.</td></tr>
<tr><td>(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.</td><td>
<table>
<tr><th colspan="3">Table 12.6(a) – Fees Paid/Payable to the EA in FY2015</th></tr>
<tr><th></th><th>S$</th><th>% of total</th></tr>
<tr><td>Audit fees</td><td>231,700</td><td>79.87</td></tr>
<tr><td>Non-audit fees
– Tax advice</td><td>58,400</td><td>20.13</td></tr>
<tr><td>Total</td><td>290,100</td><td>100.00</td></tr>
</table>
</td></tr>
<tr><td>(b) If the EA has supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.</td><td>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.

</td></tr>
</table>

CORPORATE
GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
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 reassures employees that they will be protected from reprisals or victimisation for fraud and whistle-blowing in good faith. To date, there have been 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.
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' concerns. To this extent, the Company has undertaken regular analyst briefings to provide market updates on the Company's business. The Board will also engage in investor relations activities to allow the Company to engage shareholders as and when it deems necessary and appropriate.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at www.tritech.com.sg.
15.5	Does the Company have a dividend policy?	The Company does not have a fixed dividend policy at present. The declaration and payment of dividends by the Company from time to time is subject to many factors, including but not limited to, the Company's results of operations, cash flows and financial position, the Company's expansion requirements and working capital requirements, dividend payment by the Company's subsidiaries and the Company's future growth and prospects.
	Is the Company paying dividends for the financial year? If not, please explain why.	The Company did not declare dividends to shareholders for FY2015 as the Group reported a net loss of S$31.7 million for FY2015 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 Articles allow for abstentia 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 FY2015 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

Catalist Rule	Rule Description	Company's Compliance or Explanation
1204(17)	Interested Persons Transaction ("**IPT**")	The Group has procedures governing all IPTs to ensure that they are properly documented and reported in a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. There were no IPTs with value more than S$100,000 transacted during FY2015.
1204(19)	Dealing in Securities	The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information. The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning two weeks before the announcement of the Company's quarterly financial statements and one month before the announcement of the Company's full-year financial statements respectively, ending on the date of the announcement of the relevant results.
1204(21)	Non-sponsor fees	No non-sponsor fees were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. in FY2015.

DIRECTORS' **REPORT**

The Directors are pleased to present their report to the members together with the audited consolidated financial statements of Tritech Group Limited (the "Company") and its subsidiary companies (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2015.

Directors

The Directors of the Company in office at the date of this report 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' 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, Cap. 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiary companies) 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	800,000	–	–
Dr Wang Xiaoning[1]	–	–	310,081,554	310,081,554
Aw Eng Hai	765,000	765,000	–	–

DIRECTORS' REPORT

Directors' interests in shares and debentures (Continued)

	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 (Continued)				
Performance share awards				
Professor Yong Kwet Yew	–	500,000	–	–
Dr Wang Xiaoning	–	500,000	–	–
Dr Cai Jungang	–	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	–	–

Note:

(1) Pursuant to Section 7 of the 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.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2015.

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 of the financial year or at the end of the financial year.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except that the Executive Directors have employment relations with the Group and have received remuneration in those capacities.

DIRECTORS' **REPORT**

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 company 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 the 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 Restricted Stock Units ("RSUs") 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 has made grants aggregating to 4,950,000 Share Awards to Directors and employees of the Group.

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

	Number of RSUs				
Name of participant	**Balance at 1.4.2014**	**Granted during the financial year[(i)]**	**Exercised during the financial year**	**Forfeited during the financial year**	**Balance at 31.3.2015**
Directors of the Company					
Professor Yong Kwet Yew	–	500,000	(500,000)	–	–
Dr Wang Xiaoning	–	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 grants available					
Loh Chang Kaan	–	500,000	(500,000)	–	–
Mui Siew Yun	–	600,000	(600,000)	–	–
	–	4,100,000	(4,100,000)	–	–

Note (i) Granted on 26 November 2014 with a fair value of S$707,850 (2014: S$nil) which was recognised as an equity-settled share-based payment expense in the profit or loss (Note 7).

DIRECTORS' REPORT

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 S$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 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 1.4.2014	Granted during the financial year	Exercised during the financial year	Expired during the financial year	Balance at 31.3.2015	Exercise price	Exercisable period
31.3.2014	386,574,593	–	–	–	386,574,593	S$0.20	1.10.2014 to 30.9.2019

Audit Committee

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

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

The Audit Committee performs its functions in accordance with section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:

- 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;

DIRECTORS' REPORT

- 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.

The Audit Committee, 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 Audit Committee has also conducted a review of interested person transactions.

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

Auditor

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

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

The auditors of the subsidiary companies are disclosed in Note 11 to the financial statements. In the opinion of the Board of Directors and Audit Committee, Rule 715 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited has been complied with.

On behalf of the Board of Directors,

Dr Wang Xiaoning
Director

Dr Cai Jungang
Director

Singapore

STATEMENT BY DIRECTORS

We, Wang Xiaoning and Cai Jungang, being two of the Directors of Tritech Group Limited, do hereby state that, in the opinion of the Directors,

(a) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flow statement, together with the notes thereto 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 2015 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the 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.

On behalf of the Board of Directors,

Dr Wang Xiaoning
Director

Dr Cai Jungang
Director

Singapore
13 July 2015

INDEPENDENT AUDITOR'S **REPORT**

TO THE MEMBERS OF TRITECH GROUP LIMITED

Report on the financial statements

We have audited the accompanying consolidated financial statements of Tritech Group Limited (the "Company") and its subsidiary companies (collectively, the "Group") set out on pages 46 to 139, which comprise the balance sheets of the Group and the Company as at 31 March 2015, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and 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 the Singapore Companies Act (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 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Other matters

The financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2014 were audited by another firm of Chartered Accountants whose report dated 9 July 2014 expressed an unqualified opinion on those statements.

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 companies 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
13 July 2015

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

(Amounts in Singapore dollars)

		Group	
	Note	2015 S$	2014 S$ (Restated)
Revenue	4	**62,132,844**	55,708,820
Cost of sales		**(53,502,251)**	(42,496,990)
Gross profit		**8,630,593**	13,211,830
Other income	5	**1,048,347**	1,334,692
Distribution costs		**(1,636,817)**	(906,870)
Administrative costs		**(26,496,181)**	(13,008,109)
Other operating costs		**(11,342,461)**	(13,483,059)
Finance costs	6	**(2,692,200)**	(2,136,208)
Loss before taxation	7	**(32,488,719)**	(14,987,724)
Income tax credit	8	**750,181**	122,849
Loss for the year		**(31,738,538)**	(14,864,875)
Loss attributable to:			
Owners of the Company		**(29,177,285)**	(14,864,875)
Non-controlling interests		**(2,561,253)**	–
		(31,738,538)	(14,864,875)
Loss per share (cents)			
Basic	9	**(3.76)**	(1.93)
Diluted	9	**(3.76)**	(1.93)

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 2015

(Amounts in Singapore dollars)

	Group	
	2015	**2014**
	S$	**S$**
		(Restated)
Loss for the year	**(31,738,538)**	(14,864,875)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising from translation of foreign operations	**3,737,565**	(75,649)
Items that will not be reclassified subsequently to profit or loss		
Revaluation gains (net of tax)	**2,233,466**	8,878,086
Other comprehensive income for the year, net of tax	**5,971,031**	8,802,437
Total comprehensive income for the year	**(25,767,507)**	(6,062,438)
Total comprehensive income attributable to:		
Owners of the Company	**(23,392,174)**	(6,062,438)
Non-controlling interests	**(2,375,333)**	–
	(25,767,507)	(6,062,438)

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

BALANCE SHEETS

AS AT 31 MARCH 2015

(Amounts in Singapore dollars)

	Note	Group 2015 S$	Group 2014 S$ (Restated)	Company 2015 S$	Company 2014 S$ (Restated)
Non-current assets					
Property, plant and equipment	10	**64,347,114**	52,876,730	**1,650,456**	1,126,913
Investments in subsidiary companies	11	**–**	–	**70,695,298**	63,345,143
Land use rights	12	**2,809,741**	2,529,234	**–**	–
Mining rights	13	**14,505,813**	14,741,178	**–**	–
Intangible assets	14	**3,580,577**	2,321,819	**–**	–
Prepayments	15	**377,877**	393,814	**–**	–
Trade and other receivables	17	**498,568**	972,899	**–**	–
Deferred tax assets	25	**131,995**	–	**–**	–
		86,251,685	73,835,674	**72,345,754**	64,472,056
Current assets					
Inventories	16	**7,428,190**	4,262,882	**–**	–
Trade and other receivables	17	**14,822,897**	6,811,931	**20,352,526**	17,895,521
Amounts due from contract customers	18	**45,619,351**	41,690,447	**–**	–
Tax recoverable		**10**	9,081	**–**	–
Prepayments	15	**4,116,936**	2,776,975	**71,204**	61,504
Cash and bank balances	19	**18,779,569**	20,904,246	**2,029,446**	9,103,531
		90,766,953	76,455,562	**22,453,176**	27,060,556
Current liabilities					
Trade and other payables	20	**24,506,639**	15,852,994	**4,339,426**	3,816,424
Amounts due to contract customers	18	**3,893,798**	1,610,120	**–**	–
Bank borrowings	21	**21,148,518**	16,063,665	**6,104,706**	6,091,316
Financial liabilities designated at fair value through profit and loss	22	**–**	23,383,278	**–**	–
Finance lease payables	23	**2,486,728**	2,508,034	**–**	–
Derivative component of convertible loans	24	**813,000**	–	**813,000**	–
Provision for taxation		**1,275,434**	672,842	**170,517**	112,053
		54,124,117	60,090,933	**11,427,649**	10,019,793
Net current assets		**36,642,836**	16,364,629	**11,025,527**	17,040,763
Non-current liabilities					
Bank borrowings	21	**3,805,250**	5,193,897	**3,671,358**	4,890,701
Finance lease payables	23	**2,991,231**	1,623,200	**–**	–
Liability component of convertible loans	24	**6,290,000**	–	**6,290,000**	–
Deferred tax liabilities	25	**7,039,011**	5,625,297	**1,005,091**	96,353
		20,125,492	12,442,394	**10,966,449**	4,987,054
Net assets		**102,769,029**	77,757,909	**72,404,832**	76,525,765
Equity attributable to owners of the Company					
Share capital	26	**68,173,926**	67,174,089	**68,173,926**	67,174,089
Reserves	27	**24,959,310**	10,583,820	**4,230,906**	9,351,676
		93,133,236	77,757,909	**72,404,832**	76,525,765
Non-controlling interests		**9,635,793**	–	**–**	–
Total equity		**102,769,029**	77,757,909	**72,404,832**	76,525,765

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 2015

(Amounts in Singapore dollars)

	Attributable to owners of the Company										
2015 **Group**	**Share capital (Note 26) S$**	**Equity component of convertible bonds (Note 24) S$**	**Other reserve (Note 27) S$**	**Gain on disposals to non-controlling interests (Note 27) S$**	**Employee share award reserve (Note 27) S$**	**Asset revaluation reserve (Note 27) S$**	**Foreign currency translation reserve (Note 27) S$**	**Accumu-lated profits/ (losses) (Note 27) S$**	**Equity attributable to the owners of the Company (Note 27) S$**	**Non-controlling interests S$**	**Total equity S$**
At 1 April 2014, as previously reported	67,174,089	–	3,243,060	–	–	13,036,463	(350,700)	6,037,695	89,140,607	–	89,140,607
Fair value adjustments to the identifiable assets and liabilities of a subsidiary company acquired in prior year (Note 11)	–	–	–	–	–	–	14,351	(6,876,894)	(6,862,543)	–	(6,862,543)
Prior year adjustments (Note 36)	–	–	(3,243,060)	–	–	(4,158,377)	–	2,881,282	(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**

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 2015

(Amounts in Singapore dollars)

2014 Group	Attributable to Owners of the Company							
	Share capital (Note 26) S$	Other reserve (Note 27) S$	Employee share option reserve (Note 27) S$	Warrants \reserve (Note 27) S$	Asset revaluation reserve (Note 27) S$	Foreign currency translation reserve (Note 27) S$	Accumu-lated profits/ (losses) (Note 27) S$	Total equity S$
At 1 April 2013, as previously reported	44,712,753	3,243,060	889,963	294,766	–	(260,700)	13,432,035	62,311,877
Prior year adjustment (Note 36)	–	(3,243,060)	–	–-	–	–	3,243,060	–
At 1 April 2013, as restated	44,712,753	–	889,963	294,766	–	(260,700)	16,675,095	62,311,877
Loss for the year, as restated	–	–	–	–	–	–	(14,864,875)	(14,864,875)
Other comprehensive income								
Exchange differences arising from translation of foreign operations	–	–	–	–	–	(75,649)	–	(75,649)
Revaluation gains (net of tax)	–	–	–	–	8,878,086	–	–	8,878,086
Total comprehensive income for the year, as restated	–	–	–	–	8,878,086	(75,649)	(14,864,875)	(6,062,438)
Contributions by and distributions to owners								
Issuance of ordinary shares pursuant to exercise of warrants	1,856,625	–	–	–	–	–	–	1,856,625
Issuance of ordinary shares pursuant to new shares placement	18,750,000	–	–	–	–	–	–	18,750,000
Issuance of ordinary shares pursuant to exercise of employee share options	1,458,000	–	–	–	–	–	–	1,458,000
Grant of equity settled share options to employees	–	–	66,321	–	–	–	–	66,321
Share issue expenses	(622,476)	–	–	–	–	–	–	(622,476)
Transfer to share capital upon exercise of warrants	62,903	–	–	(62,903)	–	–	–	–
Transfer to accumulated profits upon expiry of warrants	–	–	–	(231,863)	–	–	231,863	–
Transfer to share capital upon exercise of employee share options	956,284	–	(956,284)	–	–	–	–	–
Total contributions by and distributions to owners	22,461,336	–	(889,963)	(294,766)	–	–	231,863	21,508,470
At 31 March 2014, as restated	67,174,089	–	–	–	8,878,086	(336,349)	2,042,083	77,757,909

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

(Amounts in Singapore dollars)

2015 Company	Share capital (Note 26) S$	Other reserve (Note 27) S$	Employee share option reserve (Note 27) S$	Equity component of convertible loans (Note 24) S$	Asset revaluation reserve (Note 27) S$	Accumulated profits (Note 27) S$	Total equity S$
At 1 April 2014, as previously reported	**67,174,089**	**3,243,060**	**–**	**–**	**470,431**	**5,638,185**	**76,525,765**
Prior year adjustment (Note 36)	**–**	**(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 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**

STATEMENTS OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

(Amounts in Singapore dollars)

2014 Company	**Share capital (Note 26) S$**	**Other reserve (Note 27) S$**	**Employee share option reserve (Note 27) S$**	**Warrants reserve (Note 27) S$**	**Asset revaluation reserve (Note 27) S$**	**Accumulated profits (Note 27) S$**	**Total equity S$**
At 1 April 2013, as previously reported	44,712,753	3,243,060	889,963	294,766	–	5,629,513	54,770,055
Prior year adjustment (Note 36)	–	(3,243,060)	–	–	–	3,243,060	–
At 1 April 2013, as restated	44,712,753	–	889,963	294,766	–	8,872,573	54,770,055
Loss for the year	–	–	–	–	–	(223,191)	(223,191)
Other comprehensive income							
Revaluation gain (net of tax)	–	–	–	–	470,431	–	470,431
Total comprehensive income for the year	–	–	–	–	470,431	(223,191)	247,240
Contributions by and distributions to owners							
Issuance of ordinary shares pursuant to exercise of warrants	1,856,625	–	–	–	–	–	1,856,625
Issuance of ordinary shares pursuant to new shares placement	18,750,000	–	–	–	–	–	18,750,000
Issuance of ordinary shares pursuant to exercise of employee share options	1,458,000	–	–	–	–	–	1,458,000
Grant of equity settled share options to employees	–	–	66,321	–	–	–	66,321
Share issue expenses	(622,476)	–	–	–	–	–	(622,476)
Transfer to share capital upon exercise of warrants	62,903	–	–	(62,903)	–	–	–
Transfer to accumulated profits upon expiry of warrants	–	–	–	(231,863)	–	231,863	–
Transfer to share capital upon exercise of employee share options	956,284	–	(956,284)	–	–	–	–
Total contributions by and distributions to owners	22,461,336	–	(889,963)	(294,766)	–	231,863	21,508,470
At 31 March 2014	67,174,089	–	–	–	470,431	8,881,245	76,525,765

CONSOLIDATED
CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

(Amounts in Singapore dollars)

	Note	2015 S$	2014 S$ (Restated)
Cash flows from operating activities			
Loss before taxation		**(32,488,719)**	(14,987,724)
Adjustments for:			
Amortisation of intangible assets	14	**221,299**	171,236
Amortisation of mining rights	13	**235,365**	491,376
Amortisation of land use rights	12	**58,399**	57,059
Written-down of inventories	7	**1,492,230**	1,443,779
Impairment losses on trade receivables	17	**2,039,342**	46,703
Write back of third parties trade receivables		**–**	(3,102)
Depreciation of property, plant and equipment	10	**4,417,260**	4,067,305
Fair value loss on financial liabilities designated as FVTPL	22	**3,426,039**	5,876,220
Fair value gain on derivative component of convertible loan	24	**(158,000)**	–
Gain on disposal of plant and equipment		**(61,506)**	(143,965)
Interest income		**(49,807)**	(52,191)
Interest expense		**2,692,200**	2,136,208
Property, plant and equipment written off		**250**	87,609
Placement promoters expense	11(c)	**9,901,960**	–
Project introducer fee	26	**999,837**	
Grant of equity-settled share awards to employees	7	**707,850**	66,321
Operating cash flows before changes in working capital		**(6,566,001)**	(743,166)
(Increase)/decrease in:			
Inventories		**(4,645,215)**	(2,444,926)
Trade receivables		**(12,160,978)**	(4,079,760)
Prepayments		**(1,339,961)**	(892,086)
Increase/(decrease) in:			
Trade and other payables		**10,990,024**	(336,906)
Cash flows used in operations		**(13,722,131)**	(8,496,844)
Income taxes refunded		**565,116**	335,155
Interest received		**49,807**	52,191
Net cash flows used in operating activities		**(13,107,208)**	(8,109,498)

CONSOLIDATED
CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

(Amounts in Singapore dollars)

	Note	2015 S$	2014 S$
Cash flows from investing activities			
Purchase of property, plant and equipment	10	**(5,238,160)**	(4,592,216)
Acquisition of a subsidiary company, net of cash acquired	11	**(1,993,312)**	(1,700,392)
Additions to intangible assets	14	**(8,000)**	(48,001)
Prepayment for land use rights	15	**–**	(352,338)
Proceeds from disposal of plant and equipment		**104,905**	208,651
Net cash flows used in investing activities		**(7,134,567)**	(6,484,296)
Cash flows from financing activities			
Decrease/(increase) in fixed deposit pledged		**498,359**	(898,119)
Proceeds from bank borrowings		**7,014,459**	4,566,921
Loan from ultimate holding company		**–**	2,000,000
Repayments of loan to related company		**–**	(4,350,000)
Repayments of bank borrowings		**(1,514,168)**	(3,796,452)
Repayments of finance lease obligations		**(2,975,276)**	(2,941,320)
Repayment of shareholder loan		**–**	(2,000,000)
Proceeds from issuance of convertible loans		**10,000,000**	–
Proceeds from exercise of options		**–**	1,458,000
Proceeds from exercise of warrants		**–**	1,856,625
Proceeds from issue of shares		**–**	18,750,000
Share issuance expenses		**–**	(622,478)
Proceeds from issue of shares to non-controlling interests		**10,005,000**	–
Share issue expenses of a subsidiary company		**(1,493,510)**	–
Interest paid		**(1,355,589)**	(1,881,284)
Net cash flows generated from financing activities		**20,179,275**	12,141,893
Net decrease in cash and cash equivalents		**(62,500)**	(2,451,901)
Cash and cash equivalents at the beginning of year		**11,602,636**	14,020,523
Currency translation differences		**(14,977)**	34,014
Cash and cash equivalents at the end of year (Note 19)		**11,525,159**	11,602,636

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

1. CORPORATE INFORMATION

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

The registered office and the 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 subsidiary companies are disclosed in Notes 11.

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 "S$") 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 2014. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 Changes in accounting estimates

During the financial year ended 31 March 2015, the Group changed the methods of amortisation and depreciation of mining rights and mining infrastructure from straight-line method to units-of-production method ("UOP method"), as the Group considers that the quarrying activities were in a more mature stage as compared to the prior years and the change of amortisation and depreciation methods would better reflect the expected pattern of consumption of the future economic benefits embodied in the mining rights and mining infrastructure.

The change of amortisation and depreciation methods is applied prospectively without adjustment to previously reported figures. The effect of the change of amortisation and depreciation methods for the financial year ended 31 March 2015 was a decrease in amortisation and depreciation charges by approximately S$256,007 and S$29,012 respectively and an increase in the net carrying amounts of the mining rights and mining infrastructure by a corresponding amount as at 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Standards issued but not yet effective

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

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets*	1 July 2014
(b) Amendments to FRS 24 *Related Party Disclosures*	1 July 2014
(c) Amendments to FRS 103 *Business Combinations*	1 July 2014
(d) Amendments to FRS 113 *Fair Value Measurements*	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 *Business Combinations*	1 July 2014
(b) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018

Except for Amendments to FRS 27, 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 Amendments to FRS 27, FRS 109 and FRS 115 is described below.

Amendments to FRS 27 *Equity Method in Separate Financial Statements*

Amendments to FRS 27 are effective for financial periods beginning on or after 1 January 2016. These amendments allow the equity method as an accounting option for investments in subsidiary companies, joint ventures and associates in an entity's separate financial statements. Upon adoption of Amendments to FRS 27, the dividend is recognised in profit or loss unless the entity elects to use the equity method, in which case the dividend is recognised as a reduction from the carrying amount of the investment.

FRS 109 Financial Instruments

FRS 109 is effective for financial periods beginning on or after 1 January 2018. FRS 109 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in FRS 39. The approach in FRS 109 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets, and enables companies to reflect their risk management activities better in their financial statements, and, in turn, help investors to understand the effect of those activities on future cash flows. FRS 109 is principle-based, and will more closely align hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Standards issued but not yet effective (Continued)

FRS 115 *Revenue from Contracts with Customers*

FRS 115 is effective for financial periods beginning on or after 1 January 2017. FRS 115 establishes a five-step model that apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangible assets).

Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates.

The Group is currently evaluating the impact of the changes and assessing whether the adoption of Amendments to FRS 27, FRS 109 and FRS 115 will have an impact on the Group.

2.5 Foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the parent 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 subsidiary companies 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, which 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Subsidiary companies

A subsidiary company 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 subsidiary companies are accounted for at cost less impairment losses.

2.7 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the end of the reporting period. The financial statements of the subsidiary companies 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.

Subsidiary companies 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 company are attributed to the non-controlling interest even if that results in a deficit balance.

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

– de-recognises the assets (including goodwill) and liabilities of the subsidiary company 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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to equity holders of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to equity holders of the Company.

Changes in the Company owners' ownership interest in a subsidiary company 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 company. 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 equity holders of the Company.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.25. The cost of an item of property, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 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 – 10 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.

2.10 Exploration and evaluation costs

The Group applies successful efforts method of accounting for exploration and evaluation costs, having regard to the requirements of FRS 106 Exploration for and Evaluation of Mineral Resources.

Exploration and evaluation costs are included in property, plant and equipment.

Exploration and evaluation costs are stated at cost less impairment losses. Exploration and evaluation costs include the cost of topographical and geological surveys and sampling and activities in relation to commercial and technical feasibility studies, and amortisation and depreciation charges in respect of assets consumed during the exploration activities.

Expenditure incurred prior to accruing legal rights to explore an area is written off as incurred.

When it can be reasonably ascertained that an exploration property is capable of commercial production, exploration and evaluation costs capitalised are transferred to mining infrastructure and are amortised by the UOP method based on the proven and probable mining reserves. Costs incurred for exploration which can be directly attributable to the development of mining infrastructure are transferred to mining infrastructure when the exploration reaches the stage of commercial production. All other costs will be transferred to quarrying right.

Exploration and evaluation costs are written off to the profit or loss if the exploration property is abandoned.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 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 shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

2.12 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.

2.13 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 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.

2.14 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Intangible assets (Continued)

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 membership

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

(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 (ranging from 3 to 20 years) on a straight line basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Intangible assets (Continued)

(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, and intellectual property right 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

2.15 Impairment of non-financial assets

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

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

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

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

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Financial instruments (Continued)

(b) ***Financial liabilities*** (Continued)

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. The net fair value gain or loss recognised in the profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in FRS 39 are satisfied.

Further details of the accounting treatments for fair value through profit or loss and derivative financial instruments are given in Note 2.18 and Note 2.19.

(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.

De-recognition

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Convertible bonds

Conversion option of convertible bonds issued by the Group which is settled other than by the exchange of a fixed amount 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.

2.19 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Impairment of financial assets

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

(a) 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.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at 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 current market rate of return for a similar financial asset. These are usually for unquoted investments in shares (other than subsidiary companies). Such impairment losses are not reversed in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 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.

2.22 Construction contracts

The Group principally operates fixed price 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.

2.23 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 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.

2.25 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.

2.26 Employee benefits

(i) 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.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Employee benefits (Continued)

(iii) Employee share option and share award plans

Employees of the Group receive remuneration in the form of share options or 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 options and awards at the date on which the options and 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 option or 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 options or 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 option reserve or employee share award reserve are transferred to accumulated profits upon expiry of the share option and share award, and are transferred to share capital if new shares are issued.

2.27 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 subsidiary companies 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 subsidiary companies.

2.28 Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

(i) 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 the profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.28 Leases (Continued)

(i) As lessee (Continued)

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

Operating lease payments are recognised as an expense in the 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.

(ii) As lessor

Leases where the Group retains substantially all the risk 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 2.29(iii). Contingent rents are recognised as revenue in the period in which they are earned.

2.29 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:

(i) 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 estimate 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.

(ii) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.29 Revenue (Continued)

(iii) Rental income

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

(iv) Interest income

Interest income is recognised using the effective interest method.

(v) Dividend income

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

2.30 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.

Government grants related to income

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss or deducted in reporting the related expenses.

Government grants related to asset

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.

2.31 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.31 Taxes (Continued)

(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 subsidiary companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

– In respect of deductible temporary differences associated with investments in subsidiary companies, 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.31 Taxes (Continued)

(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.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.32 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.

2.33 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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:

- ***Taxes***

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

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

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.

- ***Useful lives of property, plant and equipment***

  Property, plant and equipment are depreciated on a straight-line method over their estimated useful lives. The management estimates the useful lives of property, plant and equipment to be within 3 to 67 years. The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 March 2015 were S$64,347,114 (2014: S$52,876,730) and S$1,650,456 (2014: S$1,126,913) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

3.2 Key sources of estimation uncertainty (Continued)

- ***Allowance for trade and other receivables***

The management establishes allowance for impairment losses of receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, 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, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables as at 31 March 2015 were S$15,321,465 (2014: S$7,784,830) and S$20,352,526 (2014: S$17,895,521) respectively.

- ***Inventory valuation***

Inventory is valued at the lower of actual cost and net realisable value. Market price is generally the merchandise's selling price quoted from the market of similar items. 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 inventory loss as an allowance on inventory. 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 at 31 March 2015 was S$7,428,190 (2014: S$4,262,882).

- ***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 about each 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 depreciation 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 2015, the carrying amounts of the mining rights and infrastructure are S$14,505,813 and S$997,977 (2014: S$14,741,178 and S$1,037,620) (Notes 13 and 10) respectively. The amortisation and depreciation charges for the financial year ended 31 March 2015 for mining rights and mining infrastructure are S$235,365 and S$35,385 (2014: S$491,376 and S$35,162) (Notes 13 and 10) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

3.2 Key sources of estimation uncertainty (Continued)

- ***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 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 current 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 33 to the financial statements.

4. REVENUE

	Group	
	2015	**2014**
	S$	**S$**
Revenue from construction contracts	**59,339,423**	53,862,998
Sales of goods	**2,793,421**	818,369
Services rendered	**–**	1,027,453
	62,132,844	55,708,820

5. OTHER INCOME

	Group	
	2015	**2014**
	S$	**S$**
Doubtful debt recovered	**–**	3,102
Gain on disposal of plant and equipment	**61,506**	143,965
Fair value gain on derivative component of convertible loans	**158,000**	–
Rental income	**151,069**	391,317
Compensation claims	**203,889**	28,330
Government grants	**134,061**	231,244
Accounting fees income charged to a corporate shareholder and a related company	**25,300**	38,566
Interest income	**49,807**	52,191
Sundry income	**264,715**	445,977
	1,048,347	1,334,692

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

6. FINANCE COSTS

	Group	
	2015	2014
	S$	S$
Interest on:		
– Bank overdraft	**190,125**	156,202
– Convertible bonds (Note 22)	**657,471**	812,055
– Convertible loans (Note 24)	**774,483**	–
– Finance leases	**166,651**	242,576
– Term loans	**665,141**	550,856
– Fixed advance facility loan	**198,727**	191,038
– Bank guarantee charges	**1,328**	–
– Shareholder's loan	**–**	122,000
– Mortgage loan	**18,036**	9,567
– Trust receipts	**20,238**	51,914
	2,692,200	2,136,208

7. LOSS BEFORE TAXATION

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

	Group	
	2015	2014
	S$	S$
Cost of sales		
Cost of inventories	**7,037,705**	4,953,633
Depreciation of property, plant and equipment	**1,948,953**	1,978,944
Subcontractor costs	**8,760,449**	7,204,419
Employee benefits expense	**23,930,527**	22,723,681
Distribution expenses		
Depreciation of property, plant and equipment	**240,148**	206,038
Upkeep of motor vehicles	**6,212**	329,441
Employee benefits expense	**299,086**	161,803
Administrative expenses		
Audit fees		
– Auditors of the Company	**231,700**	185,500
Other auditors	**225,739**	72,267
Non-audit fees		
– Auditors of the Company	**58,400**	50,000
Other auditors	**360,940**	–
Depreciation of property, plant and equipment	**1,483,900**	1,099,735
Initial Public Offering expenses of a subsidiary company	**1,868,429**	1,004,803
Operating lease expenses	**646,316**	714,242
Professional fees	**1,296,043**	1,248,044
Placement promoters expense (11(c))	**9,901,960**	–
Project introducer fee (Note 26)	**999,837**	–
Employee benefits expense	**6,938,150**	5,528,606

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

7. LOSS BEFORE TAXATION (Continued)

	Group	
	2015	**2014**
	S$	**S$**
Amortisation of intangible assets	**221,299**	298,855
Amortisation of land use rights	**58,399**	57,059
Amortisation of mining rights	**235,365**	491,376
Depreciation of property, plant and equipment	**744,259**	782,588
Fair value loss on financial liabilities designated as FVTPL	**3,426,039**	5,876,220
Foreign exchange loss, net	**564,002**	290,164
Plant and equipment written off	**250**	87,609
Operating lease expenses	**1,526,622**	1,415,768
Impairment losses on trade receivables (Note 17)	**2,039,342**	46,703
Write-down of inventories	**1,492,230**	1,443,779
Employee benefits expense	**2,964,517**	2,506,459

Employee benefits expense comprise of the following:

	Group	
	2015	**2014**
	S$	**S$**
Employee benefits expense		
– salaries, bonuses and other benefits	**28,501,639**	26,688,436
– contributions to the defined contribution plans	**4,922,791**	4,165,792
– employee share option/share award schemes	**707,850**	66,321
	34,132,280	30,920,549

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

8. INCOME TAX CREDIT

Major components of income tax credit

The major components of income tax credit for the years ended 31 March 2015 and 2014 are:

	Group	
	2015	**2014**
	S$	**S$**
Consolidated income statement:		
Current income tax:		
– current income taxation	**(44,223)**	692,179
– over provision in prior financial years	**(676,116)**	(447,961)
Deferred income tax:		
– current deferred tax	**276,799**	(750,686)
– under provision in prior financial years	**(306,641)**	383,619
Income tax credit recognised in profit or loss	**(750,181)**	(122,849)
Consolidated statement of comprehensive income:		
Deferred tax expense related to other comprehensive income:		
– Net surplus on revaluation of leasehold properties	**680,861**	2,898,906
Consolidated statement of changes in equity:		
Deferred tax expense charged directly to equity:		
– Convertible loans	**630,700**	–

Domestic income tax is calculated at 17% (2014: 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 subsidiary companies in the People's Republic of China ("PRC") and Malaysia are subject to corporate income tax of 25% (2014: 25%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

8. INCOME TAX CREDIT (Continued)

Relationship between income tax expense and accounting profit

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2015 and 2014 are as follows:

	Group	
	2015 S$	**2014 (Restated) S$**
Loss before taxation	**(32,488,719)**	(14,987,724)
Tax at Singapore statutory tax rate of 17% (2014: 17%)	**(5,523,082)**	(2,547,913)
Adjustments:		
Effect of different tax rates of overseas operations	**(672,187)**	(619,924)
Non-deductible expenses	**5,292,889**	1,205,993
Income not subject to taxation	**(568,717)**	(119,277)
Effect of partial tax exemption	**(36,087)**	(103,700)
Overprovision in respect of prior financial years	**(982,757)**	(64,342)
Deferred tax assets not recognised	**1,911,413**	2,243,453
Utilisation of deferred tax assets previously not recognised	**–**	(11,044)
Tax incentive under Productivity and Innovation Credit	**(71,230)**	(46,761)
Corporate income tax rebates	**(40,000)**	(101,596)
Withholding tax	**–**	24,963
Others	**(60,423)**	17,299
Income tax credit recognised in profit or loss	**(750,181)**	(122,849)

The unrecognised deferred tax assets arise from the following temporary differences:

	Group	
	2015 S$	**2014 S$**
Unabsorbed capital allowances	**562,119**	237,657
Unutilised tax losses	**9,088,555**	959,597
	9,650,674	1,197,254

As at 31 March 2015, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

9. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing profit for the year that is 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 the loss for the year that is 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 years ended 31 March:

	Group	
	2015	**2014**
Loss for the year, attributable to owners of the Company (S$)	**(29,177,285)**	(14,864,875)
Weighted average number of ordinary shares on issue applicable to basic and diluted loss per share	**775,267,348**	771,562,197
Basic and diluted loss per share (in cents)	**(3.76)**	(1.93)

Diluted loss per share for the years ended 31 March 2015 and 31 March 2014 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the share conversions would be to decrease the loss per share.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

10. PROPERTY, PLANT AND EQUIPMENT

Group 2015	Leasehold properties S$	Motor vehicles S$	Furniture, fittings and fixtures S$	Machinery, instrument–ation and tools S$	Office equipment S$	Renovation S$	Construction in progress S$	Mining infrastructure S$	Total S$
Cost or valuation									
At 1 April 2013	15,112,808	1,858,410	482,048	33,179,726	1,735,598	554,934	165,020	1,058,159	54,146,703
Additions	1,209,269	339,069	71,454	3,517,197	435,575	55,325	278,579	102,025	6,008,493
Acquisition of a subsidiary company, as restated (Note 11)	1,177,025	111,914	–	22,940	25,724	–	–	–	1,337,603
Disposals	–	(26,000)	–	(180,477)	–	–	–	–	(206,477)
Written off	–	–	(29,496)	(190,006)	(509,393)	–	–	–	(728,895)
Currency translation differences	142,530	(8,139)	(1,542)	105,262	921	–	(9,611)	(34,127)	195,294
Revaluation surplus	11,776,992	–	–	–	–	–	–	–	11,776,992
Elimination of accumulated depreciation on revaluation	(420,045)	–	–	–	–	–	–	–	(420,045)
At 31 March 2014, as restated, and 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 company (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	**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**
Representing:									
At 31 March 2014, as restated									
Cost	–	2,275,254	522,464	36,454,642	1,688,425	610,259	433,988	1,126,057	43,111,089
Valuation	28,998,579	–	–	–	–	–	–	–	28,998,579
	28,998,579	2,275,254	522,464	36,454,642	1,688,425	610,259	433,988	1,126,057	72,109,668
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**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group 2015	Leasehold properties S$	Motor vehicles S$	Furniture, fittings and fixtures S$	Machinery, instrument-ation and tools S$	Office equipment S$	Renovation S$	Construction in progress S$	Mining infrastructure S$	Total S$
Accumulated depreciation									
At 1 April 2013	129,661	904,354	212,058	13,620,015	1,097,730	342,518	–	55,553	16,361,889
Depreciation	287,511	371,771	58,134	3,010,048	240,847	63,832	–	35,162	4,067,305
Disposals	–	(15,888)	–	(125,903)	–	–	–	–	(141,791)
Written off	–	–	(29,496)	(103,843)	(507,947)	–	–	–	(641,286)
Currency translation differences	2,873	(890)	(320)	5,080	2,401	–	–	(2,278)	6,866
Elimination of accumulated depreciation on revaluation	(420,045)	–	–	–	–	–	–	–	(420,045)
At 31 March and 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	**–**	**1,589,858**	**311,099**	**19,362,950**	**1,198,117**	**470,185**	**–**	**118,890**	**23,051,099**
Net carrying amount									
At 31 March 2014	28,998,579	1,015,907	282,088	20,049,245	855,394	203,909	433,988	1,037,620	52,876,730
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**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company	Office equipment S$	Leasehold property S$	Total S$
Cost			
At 1 April 2013	–	620,000	620,000
Additions	1,370	–	1,370
Revaluation surplus	–	566,784	566,784
Elimination of accumulated depreciation on revaluation	–	(60,784)	(60,784)
At 31 March and 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	1,370	1,650,000	1,651,370
Representing:			
At 31 March 2014			
Cost	1,370	–	1,370
Valuation	–	1,126,000	1,126,000
	1,370	1,126,000	1,127,370
At 31 March 2015			
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 2013	–	48,627	48,627
Charge for the year	457	12,157	12,614
Elimination of accumulated depreciation on revaluation	–	(60,784)	(60,784)
At 31 March and 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	914	–	914
Net carrying amount			
At 31 March 2015	456	1,650,000	1,650,456
At 31 March 2014	913	1,126,000	1,126,913

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	Group	
	2015	**2014**
	S$	**S$**
Office equipment	**–**	20,822
Motor vehicles	**523,613**	460,309
Machinery, instrumentation and tools	**3,798,388**	6,959,209
	4,322,001	7,440,340

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 S$28,594,618 and S$1,650,000 respectively (2014: S$22,529,079 and S$1,126,000 respectively) have been pledged to secure certain bank borrowings (Note 21).

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

	Group	
	2015	**2014**
	S$	**S$**
Additions of property, plant and equipment	**9,560,161**	6,008,493
Acquired under finance lease arrangements	**(4,322,001)**	(1,416,277)
Cash payments to acquire property, plant and equipment	**5,238,160**	4,592,216

As at 31 March 2015 and 2014, the Group's and the Company's leasehold properties were 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 March 2015 and 2014, the Group's and the Company's leasehold properties were as follows:

Location	Description	Tenure	Approximate site area (sq. m.)
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	40 years lease from 2014	752.08
Unit 1413, No. 15, Lane 299, Jiangchang West Road, Zhabei District, PRC	Office premises	45 years lease from 2014	52.48

(1) These leasehold properties, with net carrying amount of approximately S$1,255,050 (2014: S$1,115,268) are being held in trust for the Group by a key management personnel of a subsidiary company.

Valuation processes of the Group

The Group's leasehold properties were 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 as at 31 March 2015. The valuations conform to International Valuation Standards. The resulting fair values of leasehold properties are regarded as Level 2 and Level 3 recurring fair value measurement. A description of the valuation techniques and the valuation processes of the Group are provided in Note 33.

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	
	2015	2014	2015	2014
	S$	S$	S$	S$
Leasehold properties	**17,047,913**	17,106,646	**547,148**	559,217

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

11. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company 2015 S$	Company 2014 S$
Shares, at cost	**76,235,802**	63,885,647
Impairment losses	**(5,540,504)**	(540,504)
	70,695,298	63,345,143

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

	Company 2015 S$	Company 2014 S$
At 1 April	**540,504**	162,878
Impairment loss for the year	**5,000,000**	377,626
At 31 March	**5,540,504**	540,504

Details of subsidiary companies as at 31 March 2015 and 2014 are as follows:

Name of subsidiary company	Country of incorporation/ operation	Principal activities	Proportion of ownership interest 2015 %	Proportion of ownership interest 2014 %
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 contractors	**100**	100
Tritech Water Technologies Pte. Ltd. (1)	Singapore	Manufacture of water and waste treatment	**100**	100
SysEng (S) Pte Ltd (1)	Singapore	Design and development of automation and engineering system	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

11. INVESTMENTS IN SUBSIDIARY COMPANIES (Continued)

Name of subsidiary company	Country of incorporation/ operation	Principal activities	Proportion of ownership interest 2015 %	2014 %
Terra Tritech Engineering (M) Sdn Bhd[3]	Malaysia	Providing civil engineering services	**100**	100
Beijing Wisetec Technologies Co., Ltd.[4]	PRC	Business of designing, developing, services and sale of electronic products	**100**	100
TGL Engineering Group Pte. Ltd.[1]	Singapore	Investment holding company	**100**	100
Tritech (Qingdao) Membrane Industry Co., Ltd.[4]	PRC	Production of membranes for use in waste treatment systems and water treatment system	**100**	100
Anhui Clean Environment Biotechnology Co. Ltd[4]	PRC	Waste water treatment	**100**	100
Terratech Group Limited[2]	Cayman Islands	Quarrying, extraction and production of dimension stones and other marble-related products	**62.9**	100
Held through Terratech Group Limited				
Terratech Resources Pte Ltd[1]	Singapore	General wholesale trade (including general importers and exporters)	**62.9**	100
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**	100
Qingdao Terratech Resources Co. Ltd[4]	PRC	Wholesale and importer of mineral resources	**62.9**	100
Shaanxi Hengyu Architectural Interior Engineering Co., Ltd. ("Hengyu")[4][5]	PRC	Planning, consulting, architectural and engineering design	**80**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

11. INVESTMENTS IN SUBSIDIARY COMPANIES (Continued)

Name of subsidiary company	Country of incorporation/ operation	Principal activities	Proportion of ownership interest 2015 %	2014 %
Held through Tritech (Qingdao) Membrane Industry Co. Ltd				
Tritech Vavie Health Care Technologies Co. Ltd.(4)	PRC	Sale of water purifiers	**100**	–
Tritech (Qingdao) Membrane Technologies Co. Ltd.(4)	PRC	Production of membranes for use in waste treatment systems and water treatment system	**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

Impairment review of investment in subsidiary companies

During the current financial year, the Company carried out a review of the recoverable amount of the investments in subsidiary companies in water-related and environmental segment as the subsidiary companies had been persistently making losses. The review led to the recognition of an impairment loss of S$5,000,000 (2014: S$377,626) for a subsidiary company, namely Tritech Water Technologies Pte. Ltd., with a cost of investment as at 31 March 2015 of S$5,000,000 (2014: S$5,000,000) that has been recognised in the profit or loss to write down this subsidiary company to its recoverable amount. The recoverable amount of the investment has been determined based on a value-in-use ("VIU") calculation using cash flow projections from the financial budgets approved by management covering a five year period. The discount rate used applied to the cash flow projection is 12% (2014: 4.9%).

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

The Group has the following subsidiary company 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 S$	Accumulated NCI at the end of reporting period S$
31 March 2015:				
Terratech Group Limited	Cayman Islands	**37.1**	**(2,561,253)**	**9,635,793**
31 March 2014:				
Terratech Group Limited	Cayman Islands	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

11. INVESTMENTS IN SUBSIDIARY COMPANIES (Continued)

Summarised financial information about a subsidiary company with material NCI

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

Summarised balance sheet

	Terratech Group Limited	
	2015	2014
	S$	S$
Current		
Assets	**9,306,812**	7,626,655
Liabilities	**(2,510,157)**	(32,850,385)
Net current assets	**6,796,655**	(25,223,730)
Non-current		
Assets	**7,995,928**	6,518,103
Liabilities	**(184,315)**	(401,976)
Net non-current assets	**7,811,613**	6,116,127
Net assets	**14,608,268**	(19,107,603)

Summarised statement of comprehensive income

	Terratech Group Limited	
	2015	2014
	S$	S$
Revenue	**4,415,400**	158,510
Loss before tax	**(12,321,583)**	(12,690,634)
Income tax expense	**–**	–
Loss after tax	**(12,321,583)**	(12,690,634)
Other comprehensive income	**516,474**	88,627
Total comprehensive income	**(11,805,109)**	(12,602,007)

Other summarised information

	Terratech Group Limited	
	2015	2014
	S$	S$
Net cash flows used in operations	**(4,764,539)**	(4,575,180)
Acquisition of significant property, plant and equipment	**807,567**	1,145,236

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

11. INVESTMENTS IN SUBSIDIARY COMPANIES (Continued)

Acquisitions of subsidiary companies

(a) Acquisition of Anhui Clean Environment Biotechnology Co. Ltd. ("Anhui") during the financial year ended 31 March 2014

On 7 October 2013, the Group acquired 100% equity interest in Anhui. The acquisition enables the Group to further its venture into the water and waste water business in the PRC by tapping on Anhui's existing licenses, management, track record and clientele. The acquisition also provides synergies to the Group's current expertise in membrane and membrane-related business and further strengthens the Group's position as one of the leading water-related services providers in Singapore and the region.

The acquisition of Anhui was reported based on provisional amounts in the Group's financial statements for the year ended 31 March 2014. The allocation of the purchase price to the identifiable assets and liabilities was completed in the current financial year.

The Group made certain restatements to the fair values of the identifiable assets and liabilities of Anhui as at the acquisition date as follows:

	2014 Provisional fair values on date of acquisition S$	Fair value adjustments S$	2014 Fair values recognised on date of acquisition S$
Property, plant and equipment	1,365,192	(27,589)	1,337,603
Intangible assets – licenses	3,300,787	(3,300,787)	–
Intangible assets – customer contracts	–	442,897	442,897
Inventories	2,542,806	(2,309,728)	233,078
Trade and other receivables	7,375,352	(2,911,927)	4,463,425
Prepayments	3,491	–	3,491
Cash and bank balances	347,633	(7,025)	340,608
	14,935,261	(8,114,159)	6,821,102
Trade and other payables	(3,845,603)	(171,931)	(4,017,534)
Bank borrowing	(624,929)	12,629	(612,300)
Deferred tax liabilities	(825,197)	429,465	(395,732)
	(5,295,729)	270,163	(5,025,566)
Total identifiable net assets	9,639,532		1,795,536
Purchase consideration	2,083,097		2,041,000
(Gain on bargain purchase)/ goodwill arising from acquisition	(7,556,435)		245,464

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

11. INVESTMENTS IN SUBSIDIARY COMPANIES (Continued)

Acquisitions of subsidiary companies (Continued)

(a) Acquisition of Anhui Clean Environment Biotechnology Co. Ltd. ("Anhui") during the financial year ended 31 March 2014 (Continued)

Effect of the acquisition of Anhui on cash flows

Consideration settled in cash	2,041,000
Less: Cash and bank balances acquired	(340,608)
Net cash outflow on acquisition	1,700,392

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

On 5 January 2015, the Group acquired 80% equity interest in Hengyu whose principal activities are those of planning, consulting, architectural and engineering design in the PRC.

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 S$
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 company's net identifiable assets	(188,039)
	752,154
Purchase consideration	2,114,842
Goodwill arising from acquisition	1,362,688

Effect of the acquisition of Hengyu on cash flows

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

11. INVESTMENTS IN SUBSIDIARY COMPANIES (Continued)

Acquisitions of subsidiary companies (Continued)

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

Trade receivables acquired

The gross contractual trade receivables approximate their fair values of S$1,340,000 as at acquisition date. It is expected that the full contract amount of the trade receivables can be collected in the future.

Goodwill arising from acquisition

The goodwill of S$1,366,000 comprises the value of strengthening the Group's market position in the PRC 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, Hengyu contributed S$267,005 to the Group's revenue and a loss of S$289,870 to the Group's loss for the year ended 31 March 2015.

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 Hengyu for the period prior to the date of the acquisition.

Provisional accounting of the acquisition of Hengyu

As at 31 March 2015, 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.

(c) Disposal of equity interest in a subsidiary company to non-controlling interests

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 subsidiary companies 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:

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

11. INVESTMENTS IN SUBSIDIARY COMPANIES (Continued)

Acquisitions of subsidiary companies (Continued)

(c) Disposal of equity interest in a subsidiary company to non-controlling interests (Continued)

(a) 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");

(b) 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 S$8.436 million made by the Company to Terratech Resources (the "Shareholder's Loans");

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

(i) 4,301,075 shares in the share capital of Terratech Resources held by the Company pursuant to the acquisition of Terratech Resources by the Company from Tritech International Holdings Pte Ltd and Mr Chua Eng Pu in March 2011; and

(ii) 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 S$4,299,999.99 (the "Terratech Acquisition Consideration"); and

(d) 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").

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 S$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 S$0.23 for each Placement Share, payable in full on application. On 30 July 2014, Terratech was listed on the Catalist.

NOTES TO THE FINANCIAL STATEMENTS

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11. INVESTMENTS IN SUBSIDIARY COMPANIES (Continued)

Acquisitions of subsidiary companies (Continued)

(c) Disposal of equity interest in a subsidiary company to non-controlling interests (Continued)

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 S$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 22).

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 62.92%. The gains on disposal and deemed disposals is recorded in "gains on disposals to non-controlling interests" in equity (Note 27(a)).

12. LAND USE RIGHTS

	Group	
	2015	**2014**
	S$	**S$**
		(Restated)
Cost		
At 1 April, as previously reported	**8,073,736**	2,755,226
Prior year adjustment (Note 36)	**(5,318,510)**	–
At 1 April, as restated	**2,755,226**	2,755,226
Currency translation differences	**365,735**	–
At 31 March	**3,120,961**	2,755,226
Accumulated amortisation		
At 1 April, as previously reported	**–**	168,933
Prior year adjustment (Note 36)	**225,992**	–
At 1 April, as restated	**225,992**	168,933
Amortisation for the financial year	**58,399**	57,059
Currency translation differences	**26,829**	–
At 31 March	**311,220**	225,992
Net carrying amount		
At 31 March	**2,809,741**	2,529,234

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

12. LAND USE RIGHTS (Continued)

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 was built for use in waste treatment systems and water treatment system. The land use rights is transferable and has a remaining tenure of 46 years (2014: 47 years).

The Group's land use rights was secured for banking facility of a subsidiary company (Note 21) in the previous year. The pledge has been discharged during the financial year.

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

13. MINING RIGHTS

	Group	
	2015	**2014**
	S$	**S$**
Cost		
At 1 April and 31 March	**16,215,300**	16,215,300
Accumulated amortisation		
At 1 April	**1,474,122**	982,746
Amortisation	**235,365**	491,376
At 31 March	**1,709,487**	1,474,122
Net carrying amount		
At 31 March	**14,505,813**	14,741,178

The Group has mining rights which pertains 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 29 years (2014: 30 years), expiring on 26 January 2044.

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

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FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

14. INTANGIBLE ASSETS

Group	Goodwill	Transferable club member ships	Intellectual property right	Customer contracts	Develop-ment expenditure	Customer relation-ships	Total
	S$	S$	S$	S$	S$	S$	S$
Cost							
At 1 April 2013	–	76,500	198,700	–	1,202,604	768,873	2,246,677
Additions	–	–	–	–	48,001	–	48,001
Acquisition of a subsidiary company (Note 11), as restated	245,464	–	–	442,897	–	–	688,361
Currency translation differences	–	–	–	(193)	11,158	–	10,965
At 31 March, as restated, and 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 company (Note 11)	1,362,688	–	–	–	–	–	1,362,688
Currency translation differences	57,943	–	–	38,570	33,817	–	130,330
At 31 March 2015	1,666,095	76,500	198,700	481,274	1,303,580	768,873	4,495,022
Accumulated amortisation							
At 1 April 2013	–	–	35,241	–	183,350	281,919	500,510
Amortisation, as restated	–	–	9,935	65,697	18,720	76,884	171,236
Currency translation differences	–	–	–	(129)	568	–	439
At 31 March, as restated, and 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	–	–	55,111	215,991	207,656	435,687	914,445
Net carrying amount							
At 31 March 2015	1,666,095	76,500	143,589	265,283	1,095,924	333,186	3,580,577
At 31 March 2014, as restated	245,464	76,500	153,524	377,136	1,059,125	410,070	2,321,819

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 expenses" line item in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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 subsidiary companies. The carrying amount of goodwill allocated to each CGU is as follows:

CGU	Goodwill		Assumption		
	2015	2014	Compounded revenue growth rate	Long-term growth rate	Pre-tax discount rate per annum
	S$	S$	%	%	%
		(Restated)			
Hengyu[1]	1,391,892	–	5.0	4.0	13.0
Anhui[2]	274,203	245,464	7.0	3.0	18.0
	1,666,095	245,464			

(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 period of 5 (2014: 5) years.

Key assumptions used in the value in use calculations

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.

Other income and expenses – The basis used to determine the amount assigned to the other income and expenses, increased for inflation for China where the other income and expenses are incurred.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the business units to materially exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

15. PREPAYMENTS

In 2014, the Group paid S$352,338 for a right to use a leasehold land at Gua Musang, Kelantan. The title to the leasehold land has not been transferred to the Group as at 31 March 2015 pending the relevant government's approval. A deposit amounting to $41,475 was paid in prior year and included in the Group's other receivables as at 31 March 2013, which was transferred to prepayments (non-current) upon payment of the remaining consideration.

Prepayments under current assets included advance payments to suppliers amounting to S$3,066,800 (2014: S$1,698,643).

16. INVENTORIES

	Group	
	2015	2014
	S$	S$
		(Restated)
Balance sheet:		
Construction materials (at cost)	**397,817**	521,672
Consumable materials (at cost)	**92,954**	35,469
Raw materials (at cost)	**635,144**	387,347
Work-in-progress (at cost or net realisable value)	**1,344,789**	640,374
Finished goods (at cost or net realisable value)	**4,957,486**	2,678,020
	7,428,190	4,262,882
Income statement:		
Inventories recognised as an expense in cost of sales	**11,533,213**	4,953,633

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Trade receivables (non-current)				
Retentions on construction contracts	**498,568**	972,899	**–**	–
Trade receivables (current)				
Trade receivables from third parties	**9,283,282**	3,976,264	**–**	–
Amounts due from subsidiary companies	**–**	–	**5,393,831**	4,322,370
GST refundable	**–**	28,118	**–**	–
VAT refundable	**88,959**	766,520	**–**	–
Retentions on construction contracts	**844,660**	592,983	**–**	–
	10,216,901	5,363,885	**5,393,831**	4,322,370
Impairment losses: third parties	**(1,635,860)**	(121,614)	**–**	–
	8,581,041	5,242,271	**5,393,831**	4,322,370
Unbilled revenue	**–**	58,870	**–**	–
Notes receivables	**553,728**	163,200	**–**	–
Other receivables (current)				
Other receivables from third parties	**4,516,197**	577,644	**1,268**	17,089
Amounts due from subsidiary companies	**–**	–	**14,604,477**	13,091,222
Amounts due from related parties	**229,508**	56,605	**–**	1,890
Advances to directors for business purpose	**–**	110,000	**–**	110,000
Staff loan	**19,950**	52,481		–
Dividend receivable from subsidiary company	**–**	–	**133,000**	133,000
Deposits	**922,473**	550,860	**219,950**	219,950
	14,822,897	6,811,931	**20,352,526**	17,895,521
Total trade and other receivables	**15,321,465**	7,784,830	**20,352,526**	17,895,521

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

17. TRADE AND OTHER RECEIVABLES (Continued)

Trade receivables

Trade receivables are non-interest bearing and generally on 30 to 90 (2014: 30 to 90) days' credit terms.

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

The amounts due from the subsidiary companies mainly comprises management fee income, expenses recharged and loans which are unsecured, non-interest bearing and repayable on demand in cash.

Unbilled revenue relates to the works completed which have not been billed to the customers.

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

	Group	
	2015	**2014**
	S$	**S$**
Singapore dollar	**195,074**	874,249
Ringgit Malaysia	**51,154**	–
Hong Kong dollar	**34,697**	25,277
United States dollar	**194,738**	–
	475,663	899,526

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

	Group	
	2015	**2014**
	S$	**S$**
At 1 April	**121,614**	79,090
Allowance made during the year	**2,039,342**	46,703
Write-back of allowance	**–**	(3,102)
Utilisation of allowance	**(525,096)**	–
Currency translation differences	**–**	(1,077)
At 31 March	**1,635,860**	121,614

The Group's allowance for doubtful trade receivables of S$2,039,342 (2014: S$46,703) were included in "other expenses" 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

17. TRADE AND OTHER RECEIVABLES (Continued)

Receivables that are past due but not impaired

The Group has trade receivables amounting to S$2,666,114 (2012: S$1,416,947) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	Group	
	2015 S$	2014 S$
Trade receivables past due but not impaired:		
Lesser than 30 days	**1,420,407**	702,156
30 to 60 days	**251,548**	251,688
60 to 90 days	**282,771**	7,854
More than 90 days	**711,388**	455,249
	2,666,114	1,416,947

The carrying amount of trade receivables individually determined to be impaired are as follows:

	Group	
	2015 S$	2014 S$
Trade receivables past due over 90 days	**1,713,384**	121,614

18. AMOUNTS DUE FROM/(TO) CONTRACT CUSTOMERS

	Group	
	2015 S$	2014 S$
Aggregate amount of costs incurred and recognised profits to date	**244,947,864**	218,273,298
Less: Progress billings	**(203,222,311)**	(178,192,971)
	41,725,553	40,080,327
Presented as:		
Amounts due from contract customers	**45,619,351**	41,690,447
Amounts due to contract customers	**(3,893,798)**	(1,610,120)
	41,725,553	40,080,327
Retention sums receivable on construction contracts included in trade receivables (Note 17)	**1,343,228**	1,565,882

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

19. CASH AND BANK BALANCES

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Cash and bank balances	**14,012,686**	15,631,276	**517,568**	7,597,976
Fixed deposits	**4,766,883**	5,272,970	**1,511,878**	1,505,555
Cash and bank balances	**18,779,569**	20,904,246	**2,029,446**	9,103,531
Bank overdrafts (Note 21)	**(2,507,872)**	(4,056,713)		
Fixed deposits pledged	**(4,746,538)**	(5,244,897)		
Cash and cash equivalents in the consolidated cash flow statement	**11,525,159**	11,602,636		

Cash at bank earn interest at floating rates based on daily bank deposits. Fixed deposits mature on varying periods between 1 to 12 (2014: 1 to 12) months from the end of the reporting period. The effective interest rates on the fixed deposits range from 0.25% to 1.80% (2014: 0.25% to 1.80%) per annum. The fixed deposits of the Group and the Company amounting to S$4,746,538 (2014: S$5,244,897) and S$1,511,878 (2014: S$1,505,555) respectively are pledged to banks for facilities granted to the Group and the Company (Note 21).

As at 31 March 2015, the Group had cash and cash equivalents (including pledged deposits) of S$9,206,278 (2014: S$2,983,090) denominated in Chinese Renminbi ("RMB"). These balances are deposited with the banks in the PRC. RMB is not freely convertible into foreign currencies. Under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

Cash and bank balances denominated in foreign currencies as at 31 March are as follows:

	Group	
	2015	2014
	S$	S$
Singapore dollar	**21,037**	999,807
Chinese Renminbi	**–**	401
Hong Kong dollar	**1,772**	–
United States dollar	**348,127**	828,530
Indian rupee	**5,290**	290
	376,226	1,829,028

NOTES TO THE FINANCIAL STATEMENTS

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20. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Trade payables to third parties	**9,427,379**	6,771,874	**–**	–
Goods and services tax payable	**1,416,687**	641,153	**52,468**	134,677
Accrued operating expenses	**3,040,569**	1,910,525	**876,156**	461,061
Interest accrued on convertible bonds (Note 22)	**–**	424,110	**–**	–
Interest accrued on convertible loans (Note 24)	**774,483**	–	**–**	–
Provision for unutilised leave	**377,837**	337,983	**–**	–
Advances from customers	**352,865**	15,692	**–**	–
Deposits received	**43,503**	53,854	**197,276**	204,026
Other payables	**5,673,902**	4,898,120	**345,657**	56,528
Notes payables	**697,974**	799,683	**–**	–
Amount due to a director of a subsidiary company	**2,240,000**	–	**–**	–
Amounts due to a former shareholder of a subsidiary company	**461,440**	–	**–**	–
Amounts due to subsidiary companies	**–**	–	**2,867,869**	2,960,132
	24,506,639	15,852,994	**4,339,426**	3,816,424

Trade payables

Trade payables are non-interest bearing and are normally settled between 30 to 90 (2014: 30 to 90) days.

Amounts due to a director and a former shareholder of subsidiary companies

Amounts due to a director and a former shareholder of subsidiary companies are non-trade, unsecured, non-interest bearing and repayable on demand in cash.

Amounts due to subsidiary companies

Amounts due to the subsidiary companies mainly comprise 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 S$2,000,000 (2014: S$2,000,000) due to subsidiary companies which bears an effective interest rate of 3.9% (2014: 3.9%) per annum on monthly rests or such other rate(s) as may be determined by the subsidiary companies.

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

	Group	
	2015	2014
	S$	S$
Singapore dollar	**730,735**	522,891
Ringgit Malaysia	**–**	7,646
Chinese Renminbi	**–**	15,912
United States dollar	**217,496**	364,954
Hong Kong dollar	**21,855**	25,277
Indian rupee	**32,935**	–
	1,003,021	936,680

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21. BANK BORROWINGS

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Current liabilities				
Secured				
Term loan II	**1,200,000**	1,200,000	**1,200,000**	1,200,000
Term loan III	**1,500,000**	1,500,000	**–**	–
Term loan IV	**672,000**	–	**–**	–
Term loan V	**–**	4,080,000	**–**	–
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**	–	**–**	–
Mortgage loan	**19,344**	18,494	**19,344**	18,494
Bank overdrafts	**284,921**	2,255,971	**1,885,362**	1,872,822
Fixed advanced facility loan I ("FAFY I")	**2,000,000**	2,000,000	**–**	–
Fixed advanced facility loan II ("FAFY II")	**3,000,000**	3,000,000	**3,000,000**	3,000,000
	18,420,265	14,054,465	**6,104,706**	6,091,316
Unsecured				
Term loan I	**169,302**	158,761	**–**	–
Term loan VI	**336,000**	–	**–**	–
Trust receipt I	**–**	49,697	**–**	–
Bank overdrafts	**2,222,951**	1,800,742	**–**	–
	2,728,253	2,009,200	**–**	–
	21,148,518	16,063,665	**6,104,706**	6,091,316
Non-current liabilities				
Secured				
Term loan II	**3,300,000**	4,500,000	**3,300,000**	4,500,000
Mortgage loan	**371,356**	390,701	**371,358**	390,701
	3,671,356	4,890,701	**3,671,358**	4,890,701
Unsecured				
Term loan I	**133,894**	303,196	**–**	–
	3,805,250	5,193,897	**3,671,358**	4,890,701
Total bank borrowings	**24,953,768**	21,257,562	**9,776,064**	10,982,017

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21. BANK BORROWINGS (Continued)

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

	Group		Company	
	2015	2014	2015	2014
	%	%	%	%
Term loan I	**3.25**	3.25	**–**	–
Term loan II	**4.25**	4.25	**4.25**	4.25
Term loan III	**4.43 – 4.74**	4.43 – 4.74	**–**	–
Term loan IV	**7.20**	–	**–**	–
Term loan V	**–**	6.06	**–**	–
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**	–	**–**	–
Mortgage loan	**4.50**	2 – 4.5	**4.50**	2 – 4.5
FAFY I	**3.90**	3.90	**–**	–
FAFY II	**3.98**	3.85 – 3.9	**3.98**	3.85 – 3.9
Trust receipts I	**–**	6.25	**–**	–
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 fixed deposits of the Company and corporate guarantee by certain subsidiary companies of the Group.

Term loan III from a financial institution is repayable and rollover every 3-month commencing from 12 March 2014 (2014: 3 months commencing from 12 March 2014). Term loan III is secured by fixed deposit of a subsidiary company and a corporate guarantee of the Company.

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

Term loan V from a financial institution was repayable over 12 months commencing from 2 August 2013 and was secured by a leasehold property (Note 10) of the Group in the PRC. Term loan V was fully repaid in the current financial year.

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

Term loan VIII from a financial institution is 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

21. BANK BORROWINGS (Continued)

Secured (Continued)

Term loan IX from a financial institution is repayable over 12 months commencing from 28 February 2015. Term loan IX is 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 from a financial institution is repayable over 12 months commencing from 13 February 2015. Term loan X is 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 from a financial institution is repayable over 12 months commencing from 10 February 2015. Term loan XI 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 fixed deposits of certain subsidiary companies, the Company's leasehold property and a corporate guarantee of the Company.

FAFY I loan from a financial institution is repayable and rollover every 3-months from the drawdown date, 14 January 2014 (2014: 3-months from the drawdown date, 14 January 2013). FAFY loan I is secured by fixed deposits charged to the financial institution and corporate guarantees by certain subsidiary companies of the Group.

FAFY II loan from a financial institution is repayable and rollover every 3-month commencing from the drawdown dates, on 3 January 2013 and 30 January 2013 (2014: 3-months from the drawdown date, 3 January 2013 and 30 January 2013). FAFY II is secured by fixed deposits of the Company and corporate guarantees by certain subsidiary companies of the Group.

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 by the Company.

Term loan VI from a financial institution is repayable over 12 months commencing from 7 August 2014 with interest rate of 8.10% per annum.

Trust receipt I was secured by negative pledge, fixed or floating, over the asset of a subsidiary company and corporate guarantee of the Company, and was fully repaid in the current financial year.

Trust receipts II was secured by a corporate guarantee of the Company.

Bank overdrafts are secured by corporate guarantees of the Company and certain subsidiary companies of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

21. BANK BORROWINGS (Continued)

Unsecured (Continued)

As at the end of the reporting period, the Group and the Company have been granted and utilised banking facilities as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	S$	**S$**	**S$**	**S$**
Facilities granted	**31,840,000**	31,829,153	**12,450,000**	11,109,196
Facilities utilised	**28,589,068**	23,110,787	**12,335,362**	10,982,017

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

On 23 November 2012, a subsidiary company of the Group, namely, Terratech Resources Pte Ltd ("Terratech Resources"), issued convertible bonds (the "Bonds") denominated in Singapore dollar with a nominal value of S$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 2015 and interest is payable yearly in arrears on 23 November.

The Bonds were convertible into new ordinary shares of Terratech Resources at a conversion price of 50% discount to the Initial Public Offering ("IPO") price upon a successful IPO on any international recognised stock exchange (other than The Stock Exchange of Hong Kong Limited ("the Stock Exchange")). In the case of an IPO failure, the Bonds were either convertible into ordinary shares of Tritech at a 10% of discount from the average volume weighted closing prices of Tritech's shares for the 10 or 30 consecutive market days or redeemable at principal plus premium of 15% per annum from issuance date to redemption date, together with any accrued and unpaid interest as at the redemption date, but after deducting any and all accrued interest which was previously paid by Terratech Resources.

Any Bonds not converted would be redeemed on or prior to the maturity date upon the failure to list on the Stock Exchange at a price equivalent to the principal together with any accrued and unpaid interest as at the redemption date, but after deducting any and all accrued interest which was previously paid by Terratech Resources, without premium of 15% per annum from issuance date to redemption date.

Pursuant to the deed of put option between Tritech and Luminor Pacific Fund 1 Ltd and Mr Kwan Chee Seng ("Option Holders"), the Option Holders had the right to require Tritech to inter alia, acquire all the ordinary shares of Terratech Resources that were issued and allotted upon the conversion of the Bonds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

Pursuant to the Schedule 4 and clause 6.1 of the Convertible Bonds Agreement ("CBA"), the conversion of the Bonds could only take place in the event of a listing event, election of majority bondholder at its discretion; or change of control.

The Bonds were convertible at the holders' option and were supported by a guarantee granted by Tritech in favour of the bond holders, in which Tritech pledged 51% of its shares in Terratech to the Option Holders.

On 20 June 2014, pursuant to the Restructuring Agreement as described in Note 11, the Bonds were assumed by Terratech Group Limited ("Terratech") and were convertible into new ordinary shares of Terratech at a conversion price of 50% discount to the Initial Public Offering ("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.

The Group has designated the instruments in their entirety as financial liabilities carried at Fair Value Through Profit or Loss ("FVTPL"). The carrying amount of the financial liabilities designated at FVTPL at the end of the reporting date is arrived at as follows:

	Group	
	2015	**2014**
	S$	**S$**
As at 1 April	**23,383,278**	17,119,113
Interest expense (Note 6)	**657,471**	812,055
Fair value loss to profit or loss	**3,426,039**	5,876,220
	27,466,788	23,807,388
Less: Interest accrued (Note 20)/paid	**(95,343)**	(424,110)
Less: conversion during the year	**(27,371,445)**	–
As at 31 March	**–**	23,383,278

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

23. FINANCE LEASE PAYMENTS

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			
	2015		**2014**	
	Minimum lease payments S$	**Present value of payments S$**	**Minimum lease payments S$**	**Present value of payments S$**
Within one year	**2,640,879**	**2,486,728**	2,627,960	2,508,034
Later than one year but not later than five years	**3,114,118**	**2,985,935**	1,634,865	1,555,182
After five years	**5,350**	**5,296**	69,681	68,018
Total minimum lease payments	**5,760,347**	**5,477,959**	4,332,506	4,131,234
Less: Amounts representing finance charges	**(282,388)**	**–**	(201,272)	–
Present value of minimum lease payments	**5,477,959**	**5,477,959**	4,131,234	4,131,234

The effective interest rates charged during the financial year ranged between 2.75% to 10.86% (2014: 2.75% to 10.86%) per annum. The finance leases terms range from between 3 to 7 years (2014: 3 to 7 years).

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

24. 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 S$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 S$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 S$0.21 ("Loan Conversion Price").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

24. CONVERTIBLE LOANS (Continued)

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) S$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 S$0.11, interest shall be payable in cash.

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

The carrying amounts of the equity, derivative and liability components of the convertible loans as at 31 March 2015 are arrived at as follows:

	Equity component S$	Derivative component $	Liability component S$	Deferred tax liabilities S$	Total S$
At date of issuance on 28 October 2014	2,108,300	971,000	6,290,000	630,700	10,000,000
Less:					
Fair value gain	–	(158,000)	–	–	(158,000)
Interest expense	–	–	774,483	131,662	906,145
At 31 March 2015	2,108,300	813,000	7,064,483	762,362	10,748,145
Less: Accrual (Note 20)	–	–	(774,483)	–	(774,483)
At 31 March 2015	2,108,300	813,000	6,290,000	762,362	9,973,662

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

25. DEFERRED TAX LIABILITIES

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

	Group			
	Consolidated balance sheet		Consolidated income statement	
	2015 S$	2014 S$ (Restated)	2015 S$	2014 S$ (Restated)
Gross deferred tax assets				
Provision for unutilised leave	**29,639**	41,473	**(11,834)**	22,411
Unabsorbed capital allowance	**95,560**	107,337	**(11,777)**	(19,374)
Unutilised tax losses	**–**	241,816	**(241,816)**	241,816
	125,199	390,626		
Gross deferred tax liabilities				
Mining rights	**(2,337,834)**	(2,421,367)	**83,533**	167,067
Unremitted foreign interest income	**(53,135)**	–	**(53,135)**	–
Differences in depreciation of plant and equipment for tax purposes	**(219,530)**	(607,930)	**388,400**	(52,986)
Fair value of intangible assets	**(79,587)**	(87,720)	**8,133**	8,133
Revaluation of leasehold properties	**(3,579,767)**	(2,898,906)	**–**	–
Liability component of convertible loans	**(762,362)**	–	**(131,662)**	–
	(7,032,215)	(6,015,923)		
	(6,907,016)	(5,625,297)		
Deferred tax credit (Note 8)			**29,842**	367,067

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	
	2015 S$	2014 S$
Net deferred tax assets	**131,995**	–
Net deferred tax liabilities	**(7,039,011)**	(5,625,297)
	(6,907,016)	(5,625,297)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

25. DEFERRED TAX LIABILITIES (Continued)

	Company Balance sheet 2015 S$	Company Balance sheet 2014 S$
Deferred tax liabilities		
Revaluation of leasehold property	**189,594**	96,353
Liability component of convertible loans	**762,362**	–
Unremitted foreign interest income	**53,135**	–
	1,005,091	96,353

26. SHARE CAPITAL

	Group and Company 2015 No. of shares	2015 S$	2014 No. of shares	2014 S$
Issued and fully paid ordinary shares				
At 1 April	**773,149,186**	**67,174,089**	298,748,093	44,712,753
Project introducer fee	**5,813,000**	**999,837**	–	–
Issuance of ordinary shares upon new shares placement	**–**	**–**	75,000,000	18,750,000
Issuance of ordinary shares from conversion of warrants	**–**	**–**	7,426,500	1,856,625
Transfer from warrants reserve upon conversion of warrants	**–**	**–**	–	62,903
Issuance of ordinary shares upon exercise of employee share options	**–**	**–**	5,400,000	1,458,000
Transfer from employee share options reserve upon exercising of employee share options	**–**	**–**	–	956,284
Share issue expenses	**–**	**–**	–	(622,476)
Issuance of ordinary shares upon share split	**–**	**–**	386,574,593	–
At 31 March	**778,962,186**	**68,173,926**	773,149,186	67,174,089

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

26. SHARE CAPITAL (Continued)

As at 1 April 2013, there were 39,947,755 outstanding warrants to subscribe for ordinary shares of the Company at an exercise price of S$0.25 per share. Out of the 39,947,755 outstanding warrants, 7,426,500 options were exercised. The remaining 32,521,255 warrants expired and ceased to be valid on 8 April 2013.

On 6 August 2013, the Company issued and allotted 75,000,000 placement shares at an issue price of S$0.25 per placement share, amounting to an aggregate of $18,750,000 for cash to provide funds for the expansion of the Group's water-related business. The newly issued shares rank pari passu in all respects with the previously issued shares.

In the previous financial year, 2,700,000 ordinary shares of the Company were issued at the exercise price of S$0.30 per share and another 2,700,000 ordinary shares of the Company were issued at the exercise price of S$0.24 per share, upon the exercise of the options. 40,000 options were forfeited upon the resignation of employees of the Group.

On 12 March 2014, the Company issued 386,574,593 additional shares pursuant to the completion of the share split exercise by the Company of every one (1) share into two (2) shares. In conjunction with the share split exercise, the Company issued 386,574,593 of bonus warrants, each carrying the right to subscribe for one (1) new share at the exercise price of $0.20 for each new share, on the basis of one (1) warrant for every two (2) shares held by shareholders as at the bonus warrants books closure date.

On 21 September 2014, the Company issued and allotted 5,813,000 shares to an independent third party, Successive, at an issue price of S$0.17 per share, amounting to an aggregate of S$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 S$999,837 is included in "other expenses" line item in profit or loss.

27. RESERVES

Reserves comprise the following:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	S$	**S$**	**S$**	**S$**
		(Restated)		**(Restated)**
Gains on disposals to non-controlling interests	**34,951,514**	–	**–**	–
Employee share award reserve	**707,850**	–	**707,850**	–
Foreign currency translation reserve	**3,215,296**	(336,349)	**–**	–
Asset revaluation reserve	**11,111,552**	8,878,086	**925,669**	470,431
Equity component of convertible loans (Note 24)	**2,108,300**	–	**2,108,300**	–
Accumulated (losses)/profits	**(27,135,202)**	2,042,083	**489,087**	8,881,245
	24,959,310	10,583,820	**4,230,906**	9,351,676

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

27. RESERVES (Continued)

(a) Gains on disposals to non-controlling interests

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Gains arising from disposals and deemed disposals of shares to non-controlling interests and balance at 31 March	34,951,514	–	–	–

The gains on the disposals and deemed disposals of shares in a subsidiary company, i.e. Terratech, represent the excess of the deemed considerations received from the respective parties against the share of net assets of Terratech disposed of (Note 11(c)).

(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 Tritech Group Performance 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. There was no share issued under the Tritech Group Performance Share Plan by the Company during the financial year.

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Grant of equity-settled share awards to employees and balance 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 statements of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

27. 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	
	2015	**2014**	**2015**	**2014**
	S$	**S$**	**S$**	**S$**
		(Restated)		
At 1 April, as previously reported	**13,036,463**	–	**470,431**	–
Prior year adjustment (Note 36):				
Over-valuation of land use rights	**(4,158,377)**	–	**–**	–
At 1 April, as restated	**8,878,086**	–	**470,431**	–
Revaluation gains	**2,914,327**	11,776,992	**548,478**	566,784
Deferred tax on revaluation gains	**(680,861)**	(2,898,906)	**(93,240)**	(96,353)
At 31 March, as restated	**11,111,552**	8,878,086	**925,669**	470,431

28. COMMITMENTS

(a) Capital commitments

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

	2015	**2014**
	S$	**S$**
Commitments for the acquisition of property, plant and equipment	**21,935**	2,243,030

(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	
	2015	**2014**	**2015**	**2014**
	S$	**S$**	**S$**	**S$**
Not later than one year	**2,483,609**	1,777,738	**553,162**	544,000
Later than one year but not later than five years	**5,106,408**	4,223,235	**736,141**	1,088,000
Later than five years	**2,881,078**	3,896,502	**–**	–
	10,471,095	9,897,475	**1,289,303**	1,632,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

28. COMMITMENTS (Continued)

(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 (2014: 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 premise. Future minimum rentals receivable for premises under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2015	**2014**
	S$	**S$**
Not later than one year	**50,198**	38,195
Later than one year but not later than five years	**1,960**	29,782
	52,158	67,977

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 (2014: 1 to 2 years). There were no renewal options or arrangements entered for contingent rent payments.

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FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

29. 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	
	2015	2014	2015	2014
	S$	S$	S$	S$
With corporate shareholder				
Interest charged	194,667	–	–	–
Accounting fee charged to the corporate shareholder	19,000	28,991	–	–
Loans from the corporate shareholder	–	2,000,000	–	2,000,000
With subsidiary companies				
Loan to subsidiary companies	–	–	8,865,000	6,150,440
Management fee income	–	–	2,192,700	3,384,459
Rental income	–	–	526,068	526,068
Loan interest charged by subsidiary companies	–	–	95,883	75,724
Loan interest charged to subsidiary companies	–	–	194,667	130,667
Accounting fee charged by subsidiary company	–	–	46,500	46,490
Recharge of expenses by subsidiary companies	–	–	25,000	36,431
Recharge of expenses to subsidiary companies	–	–	351,581	230,862
Settlement of liabilities on behalf by subsidiary companies	–	–	1,083,089	1,247,380
Settlement of liabilities on behalf of subsidiary companies	–	–	677,000	20,000
Investment in Terratech shares	–	–	8,436,000	–
With related party				
Office rental charged to related party	–	18,000	–	–
Accounting fee charged to related party	6,300	9,575	–	–
Rental of office equipment charged by related party	76,800	76,800	–	–
With Director of a subsidiary company				
Contractual interest expenses of convertible bonds	–	108,274	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

29. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel

	Group		Company	
	2015	**2014**	**2015**	**2014**
	S$	**S$**	**S$**	**S$**
Directors' fees	**493,264**	326,000	**216,000**	326,000
Short-term benefits	**1,903,507**	4,439,964	**1,097,500**	1,253,959
Contributions to the defined contribution plans	**59,622**	259,771	**29,800**	27,500
Employee share award/option schemes	**500,500**	50,686	**429,000**	21,954
Total compensation paid to key management personnel	**2,956,893**	5,076,421	**1,772,300**	1,629,413
Comprise amounts paid to:				
– Directors of the Company	**1,772,300**	1,659,972	**–**	–
– Directors of a subsidiary company	**1,184,593**	427,781	**–**	–
– Other key management personnel	**–**	2,988,668	**–**	–
	2,956,893	5,076,421	**–**	–

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

30. CONTINGENT LIABILITIES

Corporate guarantees

The Company has issued corporate guarantees for bank borrowings and finance lease payables of certain subsidiary companies. These bank borrowings and finance lease payables amounted to S$9,635,878 (2014: S$10,136,724) 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 subsidiary companies as disclosed in Notes 21 and 23. 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 subsidiary companies to provide continued financial support to these subsidiary companies to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

NOTES TO THE FINANCIAL STATEMENTS
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31. SEGMENT INFORMATION

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

31. SEGMENT INFORMATION (Continued)

2015	Engineering business S$	Water-related and environmental business S$	Marble Resources business S$	Corporate S$	Adjustments S$	Per consolidated financial statements S$
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	(4,167,678)	(4,107,613)	(10,490,997)	(11,030,231)	–	(29,796,519)
Finance costs	(277,836)	(549,390)	(519,475)	(1,345,499)	–	(2,692,200)
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	1,145,964	642,074	–	–	8,546,334
Intangible assets	–	8,000	–	–	–	8,000
Significant non-cash items:						
Share-based payment	–	–	–	11,609,647	–	11,609,647
Fair value loss on financial liabilities designated as FVTPL	–	–	–	3,426,039	–	3,426,039
Depreciation and amortisation expenses	1,856,834	1,633,477	891,416	457	–	4,382,184
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

31. SEGMENT INFORMATION (Continued)

2014	Engineering business S$	Water-related and environmental business S$	Marble Resources business S$	Corporate S$	Adjustments S$	Per consolidated financial statements S$
Revenue:						
Sales to external customers	46,130,714	9,022,872	555,234	–	–	55,708,820
Inter-segment sales	83,991	296,175	546,770	3,384,459	(4,311,395)*	–
Total revenue	46,214,705	9,319,047	1,102,004	3,384,459	(4,311,395)	55,708,820
Results:						
Segment results	(998,081)	(10,414,044)	(5,770,948)	4,331,557	–	(12,851,516)
Finance costs	(359,523)	(397,609)	(773,309)	(605,767)	–	(2,136,208)
Loss before taxation	(1,357,604)	(10,811,653)	(6,544,257)	3,725,790	–	(14,987,724)
Income tax credit						122,849
Loss for the year						(14,864,875)
Capital expenditure:						
Property, plant and equipment	1,058,503	4,471,236	1,842,576	1,370	–	7,373,685
Prepayment for leasehold land use rights	–	–	393,813	–	–	393,813
Intangible assets	–	48,001	–	–	–	48,001
Significant non-cash items:						
Fair value loss on financial liabilities designated as FVTPL	–	–	–	5,876,220	–	5,876,220
Depreciation and amortisation expenses	2,352,092	1,285,454	1,071,119	12,614	–	4,721,279
Asset and liabilities:						
Assets	68,251,466	52,486,252	10,797,843	18,755,675	–	150,291,236
Liabilities	28,806,165	20,894,968	21,923,029	909,165	–	72,533,327

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

* Inter-segment revenues are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

31. SEGMENT INFORMATION (Continued)

Geographical information

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

	Revenue		Non-current assets	
	2015	2014	2015	2014
	S$	S$	S$	S$
Singapore	**50,498,362**	49,258,798	**25,806,693**	21,091,587
People's Republic of China	**11,486,311**	5,362,665	**43,530,729**	42,502,631
Malaysia	**148,171**	1,087,357	**16,914,263**	10,241,456
	62,132,844	55,708,820	**86,251,685**	73,835,674

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

Information about major customers

Revenue from one (2014: one) customer amounted to S$19,065,159 (2014: S$16,408,552), arising from revenue from construction contracts and services rendered by the engineering business segment.

32. 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 fixed 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 (2014: 100) basis points higher/lower with all other variables held constant, the Group's loss net of tax would have been S$9,181 (2014: S$7,828) higher/lower, as a result of higher/lower interest income on cash, fixed deposits and bank borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(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.

Foreign currency sensitivity analysis

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:

Foreign currency sensitivity analysis (Continued)

	Increase/(decrease)	
	2015	**2014**
	Loss before tax	**Loss before tax**
	S$	**S$**
Group		
USD against S$		
– Strengthened 10%	**(32,537)**	(46,358)
– Weakened 10%	**32,537**	46,358

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.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Credit risk (Continued)

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.

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. The Group's and the Company's historical experience in the collection of receivables falls within the credit terms granted. Cash and fixed 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 cash equivalents to meet their working capital requirements.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk (Continued)

Group	One year or less S$	One to five years S$	Over five years S$	Total S$
2015				
Financial assets				
Trade and other receivables[1]	**14,733,938**	**498,568**	**–**	**15,232,506**
Cash and bank balances	**18,779,569**	**–**	**–**	**18,779,569**
Total undiscounted financial assets	**33,513,507**	**498,568**	**–**	**34,012,075**
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**	**3,937,276**	**268,512**	**25,354,306**
Finance lease payables	**2,640,879**	**3,114,118**	**5,350**	**5,760,347**
Total undiscounted financial liabilities	**47,526,484**	**19,051,394**	**273,862**	**66,851,740**
Total net undiscounted financial liabilities	**(14,012,977)**	**(18,552,826)**	**(273,862)**	**(32,839,665)**
2014				
Financial assets				
Trade and other receivables[1]	6,017,293	972,899	–	6,990,192
Cash and bank balances	20,904,246	–	–	20,904,246
Total undiscounted financial assets	26,921,539	972,899	–	27,894,438
Financial liabilities				
Trade and other payables[2]	15,196,149	–	–	15,196,149
Convertible bonds	1,200,000	16,200,000	–	17,400,000
Bank borrowings	17,428,466	6,078,145	387,742	23,894,353
Finance lease payables	2,627,960	1,634,865	69,681	4,332,506
Total undiscounted financial liabilities	36,452,575	23,913,010	457,423	60,823,008
Total net undiscounted financial liabilities	(9,531,036)	(22,940,111)	(457,423)	(32,928,570)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk (Continued)

Company	One year or less S$	One to five years S$	Over five years S$	Total S$
2015				
Financial assets				
Trade and other receivables (1)	**20,352,526**	**–**	**–**	**20,352,526**
Cash and bank balances	**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**	**3,794,679**	**268,512**	**10,167,897**
Total undiscounted financial liabilities	**11,373,664**	**15,794,679**	**268,512**	**27,436,855**
Total net undiscounted financial assets/ (liabilities)	**11,008,308**	**(15,794,679)**	**(268,512)**	**(5,054,883)**
2014				
Financial assets				
Trade and other receivables (1)	17,895,521	–	–	17,895,521
Cash and bank balances	9,103,531	–	–	9,103,531
Total undiscounted financial assets	26,999,052	–	–	26,999,052
Financial liabilities				
Trade and other payables (2)	3,681,747	–	–	3,681,747
Bank borrowings	6,091,316	5,758,041	387,742	12,237,099
Total undiscounted financial liabilities	9,773,063	5,758,041	387,742	15,918,846
Total net undiscounted financial assets/ (liabilities)	17,225,989	(5,758,041)	(387,742)	11,080,206

(1) Exclude GST refundable and VAT refundable.

(2) Exclude goods and services tax payable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

32. 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.

Company	One year or less S$	One to five years S$	Total S$
2015			
Financial guarantees provided to subsidiary companies	**9,635,878**	**–**	**9,635,878**
2014			
Financial guarantees provided to subsidiary companies	10,136,724	–	10,136,724

33. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

33. FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

(b) Assets and liabilities measured at fair value

		Fair value measurements using			
	Note	**Level 1 S$**	**Level 2 S$**	**Level 3 S$**	**Total S$**
Group					
2015					
Assets					
Property, plant and equipment					
– Leasehold properties	10	**–**	**–**	**34,588,296**	**34,588,296**
Liabilities					
Derivative component of convertible loans	24	–	–	813,000	813,000
2014					
Assets					
Property, plant and equipment					
– Leasehold properties	10	–	–	28,998,579	28,998,579
Liabilities					
Financial liabilities designated at fair value through profit or loss	22	–	–	23,807,388	23,807,388

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

33. 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 24 March 2014 and 31 March 2015.	**Market price per square metre** S$485–S$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 24 March 2014 and 31 March 2015	**Market price per square metre** S$1,480–S$2,300 per square metre	The estimated fair value increases with higher market price.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

33. 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	The fair value of the derivative is based on the probability-weighted average present value of the expected future net cash flows to the Lenders with reference to valuation report performed by an independent valuer on 31 March 2015.	**Held-to-maturity value** Value of loans for holding it till maturity is derived by discounting the estimated cash flows over the remaining contractual terms of the convertible loans at interest rates that were appropriate to the riskiness of the loans, taking into account industry prospect for growth, and vulnerability to technological change or regulatory and financial ratios of the Company.	The estimated fair value varies consistently with the held-to-maturity value.
		Time to maturity 3 years less time elapsed from issuance date to valuation date of 2.58 years.	The estimated fair value varies inversely against the time to maturity.
		Discount rates 10.419% 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.	The estimated fair value varies inversely against the discount rates

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

33. 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
Financial liabilities designated at FVTPL	The fair value of the Bonds is based on the probability-weighted average present value of the expected future net cash flows to the Bondholders with reference to valuation report performed by an independent valuer on 31 March 2014.	**Scenario probabilities** Probability for IPO success scenarios is expected to be 50%.	The estimated fair value varies consistently with the scenario probabilities.
		Conversion value Conversion value is estimated at 50% discount of the selling price of the ordinary shares of Terratech.	The estimated fair value varies consistently with the conversion value.
		Held-to-maturity value Value of bonds for holding it till maturity is derived by discounting the estimated cash flows over the remaining contractual terms of the Bonds at interest rates that were appropriate to the riskiness of the Bonds, taking into account industry prospect for growth, vulnerability to technological change or regulatory and financial ratios of Terratech.	The estimated fair value varies consistently with the held-to-maturity value.
		Time to maturity 3 years less time elapsed from issuance date to valuation date of 1.65 years.	The estimated fair value varies inversely against the time to maturity.
		Discount rates 12.804% derived from risk free rates of 0.426% based on the Singapore sovereign curve and average comparable credit spread of 12.378%.	The estimated fair value varies inversely against the discount rates

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

33. FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

(c) Level 3 fair value measurements (Continued)

	Leasehold properties S$	Financial liabilities designated at FVTPL S$	Derivative component of convertible loans S$
Group			
2015			
At 1 April	28,998,579	23,807,388	–
Interest paid	–	(519,453)	–
Conversion	–	(27,371,445)	–
Issue	–	–	971,000
Reclassification from machinery instrumentation and tools	518,963	–	–
Currency translation	2,768,887	–	–
Included in profit or loss:			
Fair value adjustments of convertible bonds	–	3,426,039	–
Interest expense	–	657,471	–
Fair value adjustments of convertible loans	–	–	(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
2014			
At 1 April	–	17,331,168	–
Interest paid	–	(212,055)	–
Addition[1]	17,641,632	–	–
Included in profit or loss:			
Fair value adjustments of convertible bonds	–	5,876,220	–
Interest expense	–	812,055	–
Included in other comprehensive income:			
Net surplus on revaluation of leasehold properties	11,356,947	–	–
At 31 March	28,998,579	23,807,388	–

(1) Arisen from change in valuation of leasehold properties from cost model to the revaluation model as at 31 March 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

33. FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

(c) Level 3 fair value measurements (Continued)

Valuation policies and procedures

The Group's Financial Controller ("FC") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the FC office reports to the Group's Audit Committee.

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. 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 2015	Loans and receivables S$	Fair value through profit or loss S$	Liabilities at amortised cost S$	Total S$
Assets				
Trade and other receivables [(1)]	**15,232,506**	**–**	**–**	**15,232,506**
Cash and bank balances	**18,779,569**	**–**	**–**	**18,779,569**
	34,012,075	**–**	**–**	**34,012,075**
Liabilities				
Trade and other payables [(2)]	**–**	**–**	**22,737,087**	**22,737,087**
Derivative and liability components of convertible loans	**–**	**–**	**7,103,000**	**7,103,000**
Bank borrowings	**–**	**–**	**24,953,768**	**24,953,768**
Finance lease payables	**–**	**–**	**5,477,959**	**5,477,959**
	–	**–**	**60,271,814**	**60,271,814**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

34. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Group 2014	Loans and receivables S$	Fair value through profit or loss S$	Liabilities at amortised cost S$	Total S$
Assets				
Trade and other receivables [1]	6,990,192	–	–	6,990,192
Cash and bank balances	20,904,246	–	–	20,904,246
	27,894,438	–	–	27,894,438
Liabilities				
Trade and other payables [2]	–	–	15,196,149	15,196,149
Bank borrowings	–	–	21,257,562	21,257,562
Finance lease payables	–	–	4,131,234	4,131,234
Financial liabilities designated at fair value through profit and loss	–	23,383,278	–	23,383,278
	–	23,383,278	40,584,945	63,968,223

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	Loans and receivables S$	Fair value through profit or loss S$	Liabilities at amortised cost S$	Total S$
2015				
Assets				
Trade and other receivables [1]	**20,352,526**	**–**	**–**	**20,352,526**
Cash and bank balances	**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	**–**	**–**	**7,103,000**	**7,103,000**
Bank borrowings	**–**	**–**	**9,776,064**	**9,776,064**
	–	**–**	**21,166,022**	**21,166,022**
2014				
Assets				
Trade and other receivables [1]	17,895,521	–	–	17,895,521
Cash and bank balances	9,103,531	–	–	9,103,531
	26,999,052	–	–	26,999,052
Liabilities				
Trade and other payables [2]	–	–	3,681,747	3,681,747
Bank borrowings	–	–	10,982,017	10,982,017
	–	–	14,663,764	14,663,764

(1) Exclude GST refundable and VAT refundable.

(2) Exclude advances from customers and goods and services tax payable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

35. 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. The Group's and the Company's overall strategy remains unchanged from 2013.

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, financial liabilities designated at FVTPL (convertible bonds), plus trade and other payables less cash and bank balances. Total capital is calculated as total equity plus net debt.

The Group monitors its capital structure as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	S$	**S$**	**S$**	**S$**
Trade and other payables	**24,506,639**	15,852,994	**4,339,426**	3,816,424
Bank borrowings	**24,953,768**	21,257,562	**9,776,064**	10,982,017
Finance lease payables	**5,477,959**	4,131,234	**–**	–
Financial liabilities designated at FVTPL	**–**	23,383,278	**–**	–
Derivative and liability components of convertible loans	**7,103,000**	–	**7,103,000**	–
Less: Cash and bank balances	**(18,779,569)**	(20,904,246)	**(2,029,446)**	(9,103,531)
Net debt	**43,261,797**	43,720,822	**19,189,044**	5,694,910
Total equity	**102,769,029**	77,757,909	**72,404,832**	76,525,765
Total capital	**146,030,826**	121,478,731	**91,593,876**	82,220,675
Gearing ratio	**29.6%**	36.0%	**21.0%**	6.9%

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

Certain banking facilities granted to certain subsidiary companies 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 2015 and 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

36. PRIOR YEAR ADJUSTMENTS

	Note	Group 2015 S$	Group 2014 S$
Effect of prior year adjustments on beginning accumulated profits/(losses)			
Balance at beginning of year, as previously reported		**6,037,695**	13,432,035
Fair value adjustments to the identifiable assets and liabilities of a subsidiary company 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**	3,243,060
Balance at beginning of year, as restated		**2,042,083**	16,675,095
Effect of prior year adjustment on asset revaluation reserve			
Balance at beginning of year, as previously reported		**13,036,463**	–
Prior year adjustment:			
– Over-valuation of land use rights	(d)	**(4,158,377)**	–
Balance at beginning of year, as restated		**8,878,086**	–

	Note	Company 2015 S$	Company 2014 S$
Effect of prior year adjustments on beginning accumulated profits			
Balance at beginning of year, as previously reported		**5,638,185**	5,629,513
Prior year adjustments:			
– Overstatement of other reserve	(c)	**3,243,060**	3,243,060
Balance at beginning of year, as restated		**8,881,245**	8,872,573

Note (a):

The adjustments arose from the finalisation of the purchase price allocation for the acquisition of a subsidiary company 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 company in the prior year. Based on the computation, the inventories were over-valued by S$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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

36. PRIOR YEAR ADJUSTMENTS (Continued)

Note (c):

In prior years, the Group had included in other reserve, an amount of S$3,243,060 representing the fair value of the amount set aside as contingent consideration for the acquisition of a subsidiary company. The contingent consideration was subject to a Profit Incentive Scheme which would oblige 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 had revalued its land use rights over a plot of state-owned land in the PRC where the Group's factory resides. 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.

The prior year adjustments did not have any impact on the Group's and the Company's balance sheets as at 1 April 2013.

37. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Directors on 13 July 2015.

STATISTICS OF **SHAREHOLDINGS**

AS AT 18 JUNE 2015

SHARE CAPITAL

Issued and Fully Paid-up Ordinary Share Capital	:	$68,561,839.07
Class of Ordinary Shares	:	Ordinary Shares
Number of Ordinary Shares	:	782,635,686
Voting Rights	:	1 vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	275	17.40	4,762	0.00
100 – 1,000	11	0.70	4,920	0.00
1,001 – 10,000	234	14.81	1,278,044	0.16
10,001 – 1,000,000	1,015	64.24	116,738,622	14.92
1,000,001 AND ABOVE	45	2.85	664,609,338	84.92
TOTAL	**1,580**	**100.00**	**782,635,686**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TRITECH INTERNATIONAL HOLDINGS PTE LTD	310,081,554	39.62
2	RHB SECURITIES SINGAPORE PTE. LTD.	74,738,500	9.55
3	PHILLIP SECURITIES PTE LTD	55,048,556	7.03
4	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	45,786,700	5.85
5	OCBC SECURITIES PRIVATE LIMITED	38,435,872	4.91
6	UOB KAY HIAN PRIVATE LIMITED	29,975,832	3.83
7	MAYBANK KIM ENG SECURITIES PTE. LTD.	22,486,816	2.87
8	ANG POON BENG	7,183,500	0.92
9	TAN GUAN HONG	6,026,126	0.77
10	KGI FRASER SECURITIES PTE. LTD.	5,058,000	0.65
11	RAFFLES NOMINEES (PTE) LIMITED	5,004,500	0.64
12	LIM & TAN SECURITIES PTE LTD	4,490,400	0.57
13	CIMB SECURITIES (SINGAPORE) PTE. LTD.	4,323,016	0.55
14	ZHANG DONGHUI	3,404,000	0.43
15	TAN ENG LEE	3,000,000	0.38
16	CHUA ENG PU	2,998,590	0.38
17	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,950,000	0.38
18	KHO CHUAN THYE PATRICK	2,900,000	0.37
19	LIM KEN CHAI	2,560,000	0.33
20	HONG JIANCHUN	2,452,500	0.31
	TOTAL	**628,904,462**	**80.34**

STATISTICS OF SHAREHOLDINGS

AS AT 18 JUNE 2015

SUBSTANTIAL SHAREHOLDERS

NO.	NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST	%	DEEMED INTEREST	%
1	Tritech International Holdings Pte Ltd	310,081,554	39.62	–	–
2	Wang Xiaoning[1]	–	–	310,081,554	39.62

Note:

(1) Dr Wang Xiaoning is deemed interested in the 310,081,554 Shares held by Tritech International Holdings Pte Ltd by virtue of his 30.2% shareholding interest in Tritech International Holdings Pte Ltd.

Based on the information available to the Company as at 18 June 2015, approximately 60.18% of the ordinary issued shares of the Company are held by the public. Accordingly, Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited has been complied with.

STATISTICS OF **WARRANTHOLDINGS**

AS AT 18 JUNE 2015

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 – 99	280	29.60	2,591	0.00
100 – 1,000	105	11.10	99,454	0.03
1,001 – 10,000	170	17.97	1,167,068	0.30
10,001 – 1,000,000	355	37.53	48,500,753	12.55
1,000,001 AND ABOVE	36	3.80	336,804,727	87.12
TOTAL	**946**	**100.00**	**386,574,593**	**100.00**

TWENTY LARGEST WARRANTHOLDERS

NO.	NAME	NO. OF WARRANTS	%
1	TRITECH INTERNATIONAL HOLDINGS PTE LTD	155,040,777	40.11
2	RHB SECURITIES SINGAPORE PTE. LTD.	32,986,500	8.53
3	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	16,916,000	4.38
4	TAN THIAM CHYE	15,865,000	4.10
5	OCBC SECURITIES PRIVATE LIMITED	14,034,036	3.63
6	PHILLIP SECURITIES PTE LTD	13,209,323	3.42
7	TEO CHER KOON	9,670,000	2.50
8	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	7,965,008	2.06
9	LIM & TAN SECURITIES PTE LTD	6,843,000	1.77
10	CHENG WA SING	5,810,000	1.50
11	PEK CHOON HENG	5,401,000	1.40
12	TAN CHIN HOCK	4,448,000	1.15
13	LI JINGJING	3,200,000	0.83
14	UOB KAY HIAN PRIVATE LIMITED	3,094,016	0.80
15	LIM CHIN TONG	3,080,000	0.80
16	TAN GUAN HONG	3,013,063	0.78
17	KGI FRASER SECURITIES PTE. LTD.	2,984,000	0.77
18	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,740,000	0.71
19	LIEW NYOK WAH	2,700,000	0.70
20	ERIC TANN KAH HUAT	2,500,000	0.65
	TOTAL	**311,499,723**	**80.59**

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 7th Annual General Meeting of the Company will be held at 31 Changi South Avenue 2, Singapore 486478 on Friday, 31 July 2015 at 2.30 p.m. to transact the following business:

As Ordinary Business

1. To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31 March 2015 together with the Auditors' Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of S$195,000 for the financial year ended 31 March 2015 (FY2014:S$326,000). **Resolution 2**

3. To re-elect Professor Yong Kwet Yew retiring pursuant to Article 99 of the Articles of Association of the Company. ***(See Explanatory Notes)*** **Resolution 3**

4. To re-elect Dr. Wang Xiaoning retiring pursuant to Article 99 of the Articles of Association 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**

As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

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(2) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Rules of Catalist**"), authority be and is hereby given to the Directors to:

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

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

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

(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,

NOTICE OF ANNUAL GENERAL MEETING

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 Memorandum and Articles of Association for the time being of the Company; and

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

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

That:

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

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

NOTICE OF
ANNUAL GENERAL MEETING

(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 Memorandum and Articles of Association of the Company and the Rules of Catalist as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy Back Mandate**");

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

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

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

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

(c) for purposes of this Resolution:

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

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

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

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

NOTICE OF
ANNUAL GENERAL MEETING

(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, 16 July 2015

Notes:

1. A member of the Company entitled to attend and vote at the forthcoming Annual General Meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.

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.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) 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 or service providers) 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 or service providers), 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 or service providers) 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.

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Notes on Ordinary Business to be transacted:

Resolution 3

Professor Yong Kwet Yew will, upon re-appointment as a Director of the Company, remain as Non-Executive Chairman and Independent Director, Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit Committee. Professor Yong Kwet Yew is considered by the Board of Directors to be independent for the purpose of Rule 704(7) of the Rules of Catalist.

Resolution 4

Dr Wang Xiaoning will, upon re-appointment as a Director of the Company, remain as the Managing Director and a member of the Nominating Committee.

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 2015 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)

I/We, ____

of ____

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

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

and/or (delete as appropriate)

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

or failing him/her, the chairman of the annual general meeting ("AGM") of the Company as my/our* proxy/proxies to vote for me/us* on my/our* behalf, at the AGM to be held at 31 Changi South Avenue 2 Singapore 486478 on Friday, 31 July 2015 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.

No.	Ordinary Resolutions relating to	For**	Against**
Resolution 1	Directors' Report, Audited Financial Statements and Auditors' Report for the financial year ended 31 March 2015		
Resolution 2	Directors' fees of S$195,000 for the financial year ended 31 March 2015 (FY2014:S$326,000)		
Resolution 3	Re-election of Professor Yong Kwet Yew as Director of the Company		
Resolution 4	Re-election of Dr Wang Xiaoning as Director of the Company		
Resolution 5	Re-appointment of Ernst & Young LLP as Auditors of the Company		
Resolution 6	General authority to allot and issue Shares		
Resolution 7	The proposed renewal of the Share Buy Back Mandate		
Resolution 8	Authority to issue Shares under the Tritech Group Employee Share Option Scheme		
Resolution 9	Authority to issue Shares under the Tritech Group Performance Share Plan		

Notes

* Please delete accordingly.

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

Dated this _______ day of _________________ 2015

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

____

Signature(s) of Member(s)/Common Seal

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), 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 member entitled to attend and vote at the AGM of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall invalid unless he specifies the proportion of his/her shareholdings (expressed as a percentage of the whole) to be represented by each proxy.

4. 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 later than forty-eight (48) hours before the time appointed for holding the AGM.

5. 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. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.

6. 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.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument appointing a proxy or proxies. In addition, in the case of members whose Shares are entered in the Depository Register, the Company may reject any instrument a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 16 July 2015.

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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

TRITECH GROUP LIMITED

2 Kaki Bukit Place #07-00
Tritech Building
Singapore 416180
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