



TriTech



TRITECH GROUP LIMITED



FORWARD IN
STRENGTH & EXPERTISE
ANNUAL REPORT **2021**

BUSINESS SEGMENTS

URBAN & ENVIRONMENTAL INFRASTRUCTURE BUSINESS

SPECIALIST ENGINEERING DIVISION

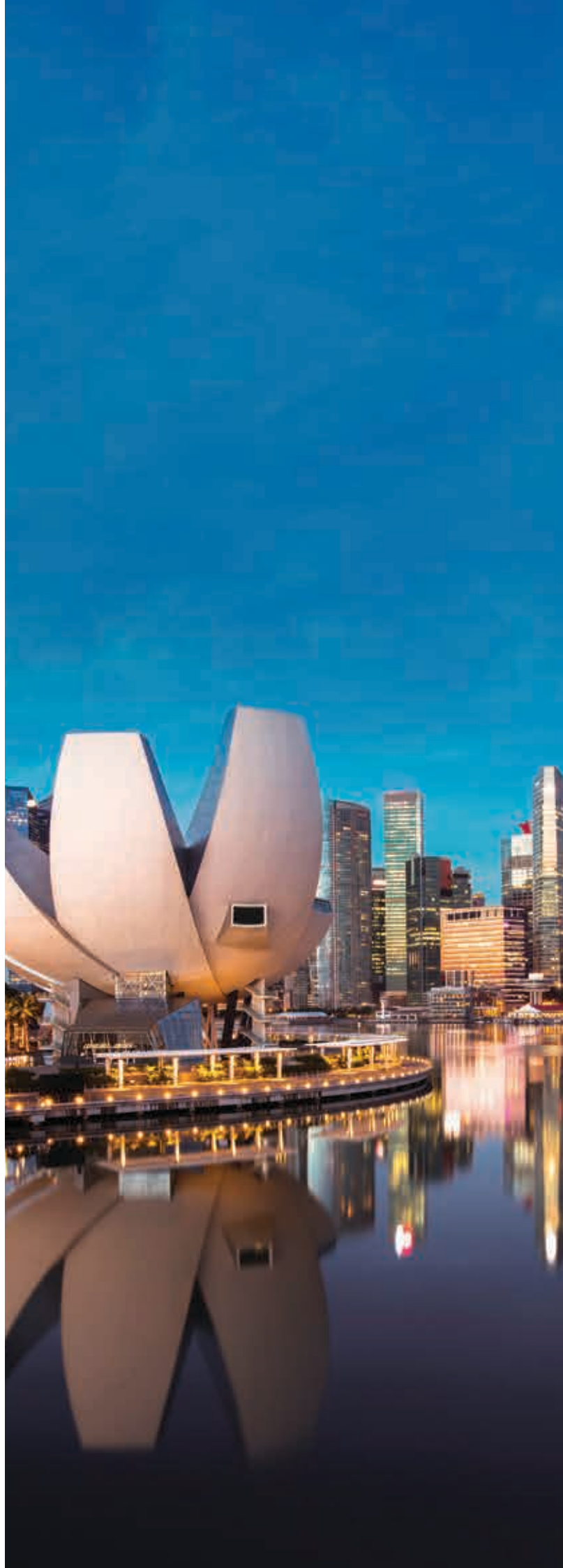
- ▶ Provision of geotechnical instrumentation and monitoring services, geotechnical and geological site explorations, investigations, analysis and testing for general and infrastructure construction
- ▶ Provision of design, consultancy and project management services for infrastructure, environmental, geotechnical, civil and rock engineering works
- ▶ Provision of products and related services that deploy Machine-to-Machine ("M2M") technology
- ▶ Provision of Automatic Tunnel Monitoring Survey ("ATMS") and other land surveying work

WATER & ENVIRONMENTAL PROTECTION BUSINESS

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

This annual report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Lim Hui Ling, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg



CORPORATE PROFILE

Established in 1999, Tritech Group Limited ("Tritech" and together with its subsidiaries, the "Group") has grown into a leading water & environmental group with two key business segments – "Urban & Environmental Infrastructure" under TGL Engineering Group, and "Water & Environmental Protection" under Tritech Environmental Group. Since inception, Tritech has built an excellent reputation as a specialist engineering group with capabilities to provide full range of engineering services from project planning, site investigations, design & consultancy, instrumentation & monitoring, construction, supervision & management. The Group serves a broad range of industries, such as infrastructure, oil & gas, commercial and high-end residential property developments. Led by an experienced management team of highly qualified professionals that includes 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, Downtown and Thomson-East Coast Lines, Jurong Rock Cavern, Underground Drainage & Reservoir System, Reflections @ Keppel Bay, Interlace and Marina One.

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

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

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BUSINESS MODEL



URBAN & ENVIRONMENTAL INFRASTRUCTURE BUSINESS

GEOTECHNICAL SERVICES

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

DESIGN, CONSULTANCY AND PROJECT MANAGEMENT SERVICES

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

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

- ▶ Provision of products and related services

ENGINEERING SURVEY

- ▶ Provision of Automatic Tunnel Monitoring Survey (ATMS) and other land surveying work

WATER & ENVIRONMENTAL PROTECTION BUSINESS

WATER TREATMENT TECHNOLOGIES

- ▶ Convert seawater or raw municipal water into potable water
- ▶ Bottled drinking water and water dispensers
- ▶ 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 a statutory board in Singapore)
- ▶ Supply of mobile water purification units to any remote villages or coastal settlements
- ▶ Turnkey contractor for desalination plants
- ▶ Developed and produced an environmentally friendly, odourless, colourless and alcohol free cleaning solution with high alkalinity called VaVie™ Clean Wash Sanitize

GROUP STRUCTURE

TriTech 三泰集团

TRITECH GROUP LIMITED (AS AT 31 MARCH 2021)



 Urban & Environmental Infrastructure
(城市与环境基础设施业务)

 Water & Environmental Protection
(水与环境的保护业务)

MESSAGE TO SHAREHOLDERS



The Group's engineering business returned to profitability in FY2021, reflecting the benefits of our transformation drive to shift our engineering services towards higher technology content.

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, we are pleased to present the annual report of Tritech Group Limited ("Tritech" or the "Company", and together with its subsidiaries, the "Group") for the financial year ended 31 March 2021 ("FY2021").

The operating environment remained challenging in FY2021 as the COVID-19 pandemic and resurgence of new infections around the world continued to disrupt business operations and potentially put the brakes on the recovery of certain economic activities. As we adapt to the new normal amid the COVID-19 pandemic, the Group has stepped up our safe management measures for the well-being of our people and to comply with the government regulations. This has inevitably raised the Group's operating costs.

Nevertheless, there has been a silver lining during this demanding period as the Group's engineering business returned to profitability in FY2021. This performance also reflected the benefits of the Group's transformation drive to shift its engineering services towards higher technology content.

Indeed, the onset of the virus outbreak last year has accelerated the adoption of technology in nearly every economic sector if not all, as social and mobility restrictions were enforced to stem the spread of COVID-19.

The way certain businesses are conducted may have to change in order to adjust to the new normal. In the same vein, Tritech has developed an AI-based Data Analytics System ("ADAS") to digitalise both our engineering, and water-related and environmental businesses and propel the Group's transformation for the future. Our goal is to shape Tritech into a leading technology centre for *Urban Infrastructure, Water & Environmental One-Stop Solution Provider* in Singapore and South East Asia region.

MESSAGE TO SHAREHOLDERS

FY2021 FINANCIAL PERFORMANCE

In FY2021, revenue from the Group's Continuing Operations more than doubled to \$22.9 million from \$10.6 million in FY2020. This was boosted primarily by our engineering business which saw a recovery in both the top- and bottom-lines. Revenue of the engineering business in FY2021 jumped to \$21.5 million from \$8.1 million in FY2020 as projects gradually resumed after a steep contraction in FY2020 which saw a severe reduction in scope of work and contract sums for certain engineering projects.

Our engineering business also registered higher gross profit in FY2021, thanks to increased revenue and our shift from labour-intensive services to higher technology-oriented services which helped to improve the business' gross profit margin. Together with the government grants received in FY2021, the Group's engineering business returned to the black with segment profit before tax of \$3.6 million in FY2021 as compared to segment loss before tax of \$16.7 million in FY2020.

The improved performance of our engineering business counterbalanced weaker results from the water-related and environmental business in FY2021. The Group's water-related and environmental business recorded revenue of \$1.4 million in FY2021 as compared to \$2.5 million in FY2020. Segment loss before tax also widened to \$1.5 million from \$0.7 million in FY2020. This was attributed mainly to slower business conditions, as well as the coronavirus-induced lockdowns and travel constraints which hampered our marketing activities in the regional countries.

The Group also recorded a loss of \$2.0 million in FY2021 from its share of results of associate, Trittech Environmental Group Co., Ltd. ("Trittech Environmental") as the Covid-19 pandemic took a toll on Trittech Environmental's water and environmental business in China.

At the bottom line, the Group reduced its net loss from Continuing Operations substantially to \$4.6 million in FY2021 compared to a net loss of \$21.7 million in FY2020.

DIGITAL TRANSFORMATION JOURNEY TO BECOME A LEADING TECHNOLOGY CENTRE

As we look to the future of Trittech's core business segments, we believe that big data and artificial intelligence will become increasingly important for the progress of construction and environment-related industries. Business processes and operations are expected to evolve with greater deployment of technology which will be an enabler for faster and sharper

decision-making. In addition, automation technologies will also help to ease labour crunch situations which have become more prevalent amid the COVID-19 lockdowns and restrictions.

With this in mind, we are continuing to make enhancements to our ADAS which is a 4D analysis software to digitalise our engineering, and water-related and environmental businesses. The Group is integrating technology into our daily operations by leveraging on the digital products of ADAS, assembling these products in our digital platform architecture, and developing this platform into a self-sustaining ecosystem.

Tapping on big data, artificial intelligence and real-time technologies, our intention is to build ADAS into a strong knowledge management base and decision support platform based on our in-house technologies. This would in turn lead to greater efficiency and productivity, minimise manpower requirements and improve profit margins of our businesses. It will also provide the capability for Trittech to extend our services beyond Singapore with lower risks and less financing constraints.

The Group has begun its research and development projects involving key digital technologies since 2014. We believe this foundation had placed the Group in a better position to undertake a seamless digital transformation process following the COVID-19 outbreak.

Going forward, we will continue to market our in-house technologies to the construction industry. These include our automation technology which reduces manual operations and manpower requirements and thereby mitigates the impact of COVID-19 on our business; as well as our digital technologies built on artificial intelligence and big data analytics.

Indeed, the Group's Tunnelling and Excavation Web-based Monitoring System ("TEMS") which is an advanced programming concept that aids project management, data collection and analysis, and project monitoring, was built on big data analytics and cloud computing technologies. TEMS is already deployed in various tunnelling projects related to the construction of Mass Rapid Transit in Singapore.

We believe the growing complexity of the construction industry will drive the need for efficient and seamless integration of architectural and engineering design tools. To remain market-relevant and be ahead of competition, the Group will continue on its path of digital transformation by focusing on artificial intelligence, big data analytics and cloud ecosystem. These are the key digital technologies that we have identified to thrust Trittech to the next level.

MESSAGE TO SHAREHOLDERS



Tritech will continue to make strides in our transformation journey to be a leading technology centre for Urban Infrastructure, Water & Environmental One-Stop Solution Provider.

With regards to the Group's water-related and environmental business, we plan to continue actively marketing and increasing the penetration of our proprietary technologies and products in Singapore and international markets. In addition to our established water and wastewater treatment membrane technologies, we have also developed real-time water quality monitoring solutions and big data analytics applications in the areas of water and environment monitoring.

The outbreak of COVID-19 in 2020 has spawned a shift in social behaviour towards greater emphasis on personal hygiene and environment cleanliness, spurring the growth of sanitisers and disinfectant products around the world. Leveraging on our entrenched expertise in water and membrane technologies, we believe this underlying trend presents a viable opportunity for the Group to expand our product lines into sanitisers and disinfectants.

As such, we have developed and launched our proprietary product, VaVie™ Clean Wash Sanitize ("CWS") in September 2020. This addition to our existing product lines will not only provide a new revenue stream to the Group, but also extends the penetration of our water technologies beyond municipals and industrial factories to cover retail, commercial and industrial markets.

Produced with purified water and food grade materials by using electrical ionization technology, VaVie™ CWS is an environmentally friendly, odourless, colourless, and alcohol-free cleaning solution with high alkalinity. VaVie™ CWS has been tested by Microchem Laboratory, USA to be effective in killing >99.99996% of bacteria and $\geq 99.90\%$ of human coronaviruses after 15 seconds.

MESSAGE TO SHAREHOLDERS

Together with strong antibacterial properties and superior cleaning capabilities, VaVie™ CWS is a one-stop sanitiser and cleaning solution for households as it can be used to remove stubborn oil and dirt stains, sterilise surfaces and for washing fruit/vegetables. VaVie™ CWS is being manufactured at the Group's production facilities in Singapore and Qingdao (China) to address the demand in the respective geographical regions.

The Group plans to stay the course to strengthen our core technologies and foundation in order to address opportunities and challenges in this pandemic era that has brought about changes – both big and small – to economies, corporations and individuals.

Backed by a sound track record and proven capabilities, Tritech will continue to make strides in our transformation journey to be a leading technology centre for *Urban Infrastructure, Water & Environmental One-Stop Solution Provider* in Singapore and the region.

APPRECIATION

On behalf of the Board, we would like to extend our deepest appreciation to our valued shareholders, customers, suppliers and business partners for their continued trust and support of Tritech. We would also like to acknowledge our fellow Directors' valuable counsel and contributions. Last but not least, we wish to express our heartfelt gratitude to the management and staff of Tritech for their dedication, unwavering support and hard work to keep everyone safe and sustain our operations during these challenging times.

PROFESSOR YONG KWET YEW

Non-Executive Chairman

DR JEFFREY WANG

Managing Director

FINANCIAL REVIEW

INCOME STATEMENT

Continuing Operations

For the financial year ended 31 March 2021 ("FY2021"), the Group's revenue more than doubled to \$22.9 million from \$10.6 million in FY2020, due mainly to the significant reduction in the contract sums for certain completed and on-going projects in the engineering business in FY2020.

Revenue of the engineering business in FY2021 jumped to \$21.5 million from \$8.1 million in FY2020. This more than offset the decline in revenue from the water-related and environmental business to \$1.4 million in FY2021 compared to \$2.5 million in FY2020. The softer performance of the water-related and environmental business was attributed mainly to the COVID-19 pandemic which impeded the Group's regional marketing efforts.

In tandem with higher revenue, the Group registered a gross profit of \$5.1 million compared to a gross loss of \$9.8 million in FY2020. Gross profit margin also expanded to 22.3% in FY2021 as a result of the Group's continual efforts to transform the focus of its engineering business to high technology-oriented specialised services which command comparatively better profit margins, while reducing its reliance on labour-intensive construction work.

Other income increased to \$5.5 million in FY2021 from \$1.0 million in FY2020. This was due primarily to grants from the Jobs Support Scheme ("JSS"), foreign worker levy rebates and rental waiver that were provided under the Singapore government schemes to support businesses during the COVID-19 outbreak.

The Group's distribution expenses decreased slightly to \$0.3 million in FY2021 from \$0.4 million in FY2020 in line with lower expenses for upkeep of motor vehicles. Administrative expenses in FY2021 increased to \$5.1 million from \$4.3 million in FY2020 due to higher professional fees, employee-related costs and audit fees in relation to a foreign associate.

Other operating expenses increased to \$7.0 million in FY2021 from \$5.7 million in FY2020. This was attributed mainly to the fair value loss on contingent consideration of \$2.7 million for the disposal of Presscrete Engineering Pte. Ltd., which was offset partially by a decrease in share-based payment expenses and absence of fair value loss on investment securities incurred in FY2020.

The Group's finance costs decreased to \$0.9 million in FY2021 from \$1.8 million in FY2020 due mainly to settlement of convertible loan and shareholder loan in September 2019.

The Group recorded a loss of \$2.0 million in FY2021 from its share of results of associate arising from its 40% interest in Trittech Environmental Group Co., Ltd. ("Trittech Environmental"). This compares to a share of loss of \$0.3 million in FY2020. The higher share of loss was attributed

mainly to the adverse impact of the COVID-19 pandemic on Trittech Environmental's business and the difference in accounting periods. In FY2021, the Group recognised 12-month contribution from Trittech Environmental as opposed to 8 months in FY2020.

As a result of the above factors, the Group recorded a net loss from Continuing Operations of \$4.6 million in FY2021. This represented a significant reduction from a net loss of \$21.7 million in FY2020.

Discontinued Operations (Presscrete Engineering Pte. Ltd. and Trittech Environmental Group Co Ltd)

Presscrete Engineering Pte. Ltd. ("Presscrete")

The disposal of Presscrete was completed on 21 May 2019. Accordingly, Presscrete has ceased to be a subsidiary of the Company. In accordance with SFRS(I) 5, the results of Presscrete have been presented separately on the consolidated income statement as Discontinued Operations.

Trittech Environmental Group Co Ltd ("Trittech Environmental")

On 26 July 2019, the Company announced the disposal of 60% interest in the issued share capital of Trittech Environmental and its shareholdings in four direct wholly-owned China subsidiaries, namely Trittech (Qingdao) Membrane Technologies Co. Ltd, Anhui Clean Environmental Biotechnology Co Ltd, Trittech Vavie (Qingdao) Health Care Technologies Co Ltd and Beijing Wisetec Technologies Co Ltd. The Disposal was completed on 31 July 2019 and all payments have been fully settled.

The Group recognised a gain of \$10.9 million from the aforesaid sale transactions in FY2020.

On an overall basis, the Group recorded a lower net loss of \$4.6 million in FY2021 compared to a net loss of \$11.8 million in FY2020 which comprised contributions from the Continuing and Discontinued Operations.

FINANCIAL POSITION

As at 31 March 2021, the Group had non-current assets amounting to \$23.5 million, a decrease of \$1.5 million from \$25.0 million as at 31 March 2020. The decrease was mainly due to depreciation and amortisation charges of \$2.0 million related to property, plant and equipment, investment property, right-of-use asset and intangible assets; share of loss of associate and foreign currency translation totalling \$2.0 million. This was partially offset by purchases of property, plant and equipment and intangible assets of \$2.0 million and an increase in amount due from associate of \$0.5 million.

The Group had current assets of \$14.8 million as at 31 March 2021, a decrease of \$2.1 million from \$16.9 million as at 31 March 2020. This was attributed mainly to a decrease in trade and other receivables as well as contract assets of \$4.2



million, offset partially by an increase of \$2.1 million in cash and short-term deposits. Contract assets as at 31 March 2021 decreased in line with billings to customers while cash and short-term deposits increased primarily on the back of cash grants received from the government.

Current liabilities stood at \$14.2 million as at 31 March 2021, which was a decrease of \$3.8 million from \$18.0 million as at 31 March 2020. The Group recorded a decrease in trade and other payables, and shareholder loans totalling \$5.0 million and also a reclassification of shareholder loan amount of \$0.8 million to non-current liabilities as at 31 March 2021. These were offset partially by increases in contract liabilities, bank borrowings and lease liabilities amounting to \$2.0 million. The increase in contract liabilities during FY2021 was in tandem with the timing of recognition of revenue.

Non-current liabilities amounted to \$11.9 million as at 31 March 2021, an increase of \$4.6 million from \$7.3 million as at 31 March 2020. This was due mainly to an increase in bank borrowings of \$2.6 million; provision of contingent consideration in relation to the disposal of Presscrete of \$2.7 million; and a reclassification of shareholder loan amount of \$0.8 million from current liabilities. These were partially offset by repayments of shareholder loan and lease liabilities of \$1.5 million.

As at 31 March 2021, the Group had positive working capital of \$0.6 million in contrast to negative working capital of \$1.2 million as at 31 March 2020.

CASH FLOW STATEMENT

In FY2021, the Group recorded net cash generated from operating activities amounting to \$6.8 million. This was due mainly to operating cash inflow before working capital changes of \$2.8 million and net working capital inflows of \$4.0 million.

Net cash used in investing activities amounted to \$1.9 million in FY2021. This was due mainly to purchases of plant and equipment and increase in intangible assets, offset partially by proceeds from disposal of plant and equipment.

Net cash used in financing activities totalled \$3.3 million in FY2021. This was attributed mainly to an increase in fixed deposits pledged, repayment of bank borrowings, shareholder loan and lease liabilities and payment of loan interest, which were partially offset by cash inflow from bank borrowings.





URBAN & ENVIRONMENTAL INFRASTRUCTURE

To thrust Tritech to the next level, the Group will continue on its path of digital transformation by focusing on artificial intelligence, big data analytics and cloud ecosystem.

BOARD OF DIRECTORS



PROFESSOR YONG KWET YEW

Non-Executive Chairman and Independent Director



DR JEFFREY WANG

Managing 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 at the Company's annual general meeting held on 29 July 2019. He is currently Professor of Civil & Environmental Engineering and Senior Vice President (Campus Infrastructure) at the National University of Singapore. Professor Yong is a respected academic and engineer and his research and practice in geotechnical and civil engineering for over 40 years is a microcosm of infrastructure development in Singapore, with the publication of more than 200 technical publications and delivery of over 30 keynote lectures at international conferences. He has also served as consultant to government agencies as well as local and international companies on over 100 major construction projects in Singapore, ASEAN and China. He has chaired and served on the advisory committees of several statutory boards and ministries including BCA, LTA, PUB, MINDEF, MOM, MND and MOF. Professor Yong has received many National awards including the Public Administration Medal, the Public Service Medal and Public Service Star in the year of 2000, 2004 and 2008 for significant contributions to university administration, construction safety and land transport development respectively. He is Life Fellow of the Institution of Engineers, Singapore, a member of Singapore Institute of Directors and a registered Professional Engineer in Singapore.

Professor Yong's experience and established business networks as a consultant in major construction projects are useful to our Group's plans to expand our business in the region.

Other Principal Commitments

National University of Singapore

Present directorship in listed Company

(other than the Company)

BBR Holdings (S) Ltd

Boustead Projects Limited

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 28 September 2020. 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 31 years of experience in geotechnical engineering. He has published many technical papers in geotechnical engineering. Dr Wang is a registered professional engineer in Singapore. He holds a PhD from the Chinese Academy of Sciences (where he was awarded the Minister Award of Chinese Academy of Sciences in recognition of his outstanding performance) and a Doctorate Degree in Philosophy from the National University of Singapore. In September 2007, Dr Wang was awarded the Best Entrepreneur Award for Faculty of Engineering by the National University of Singapore.

Other Principal Commitments

Director of Trittech's Group of Companies

Present directorships in listed Company

(other than the Company)

None

BOARD OF DIRECTORS



MR AW ENG HAI
Independent Director



DR LOH CHANG KAA
Non-Independent Non-Executive 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 28 September 2020. Mr Aw is a public accountant and a partner of Foo Kon Tan LLP where he is in charge of the various departments providing specialist advisory services. He has more than 19 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.

Other Principal Commitments

Foo Kon Tan LLP
Foo Kon Tan Advisory Services Pte Ltd
Foo Kon Tan Transaction Services Pte Ltd

Present directorships in listed Company
(other than the Company)

Yinda Infocomm Limited

Dr Loh Chang Kaan is our Non-Independent Non-Executive Director and was first appointed to the board of directors on 23 June 2017. He was last re-elected to the board of directors at the Company's annual general meeting held on 29 July 2019. Previously, Dr Loh was responsible for the overall management and day-to-day operations of Terratech Group Limited (now known as Capital World Limited) and its relevant subsidiaries from the date of his appointment (15 March 2013) to his cessation (4 May 2017). Dr Loh had also served both as an executive director and non-executive director of Trittech Group Limited from 9 June 2008 to 30 July 2014. Prior to joining our Group, Dr Loh was a research engineer with the National University of Singapore from 1994 to 1999. Following that, he was an executive engineer with a specialist ground engineering firm in charge of geotechnical engineering projects. Dr Loh has also conducted seminars and courses on geotechnical instrumentation. He is a registered professional engineer in Singapore. He is also a registered professional engineer in Malaysia, where he is a member of the Institute of Engineers Malaysia. Dr Loh holds a Master of Engineering and Doctor of Philosophy from the National University of Singapore.

Other Principal Commitments

Trittech Consultants Pte Ltd
Presscrete Engineering Pte Ltd

Present directorships in listed Company
(other than the Company)

None





WATER & ENVIRONMENTAL BUSINESS

Utilising our in-house capabilities, the Group has launched our proprietary product, VaVie™

Clean Wash Sanitize in September last year. This helps to provide a new revenue stream to the Group and extend the market penetration of our water technologies.

1999-2021 MILESTONES

15 Dec 1999

Registration of Trittech Engineering & Testing (Singapore) Pte Ltd to provide engineering services including instrumentation and site exploration

21 Jan 2001

Trittech Consultants registered to enable Trittech to become a leading geotechnical consultants in Singapore

November
2002 -
July **2003**
SARS
Pandemic

Jan 2005

Trittech 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 Trittech to be the leading player in this area

2 Dec 2006

Acquired 100% of Presscrete

Nov 2006

Trittech Engineering was awarded Enterprise 50, and was ranked 13 out of 50 companies

Nov 2007

Trittech Engineering was awarded Enterprise 50, and was ranked 26 out of 50 companies

22 Jul 2009

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

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

1 Aug 2000

Trittech Malaysia registered, to expand the Group's operations in Malaysia



4 April 2002

Trittech Geokon registered, a distributor of Geokon Inc in Singapore

2 Dec 2002

Trittech Consultants became Trittech Consultants Pte. Ltd., to start providing ground improvement services



Jan 2004

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

4 Feb 2004

Registration of Trittech Water Technologies



Aug 2008

Trittech successfully completed its IPO

Early 2008 – mid
2009
Global Financial Crisis

1999-2021 MILESTONES



28 Feb 2014

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



30 Mar 2011

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

30 July 2014

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

4 May 2017

Completion of disposal and Cessation of subsidiaries in the Marble Resource Business

29 May 2017

Completion of Engineering – Related Business Restructuring

15 Jan 2016

Completion of Water-related and Environmental Business restructuring

22 Jan 2016

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

21 May 2019

Completion of Sale of Wholly-Owned Subsidiary – Presscrete Engineering Pte Ltd

18 May 2021

TGL Engineering Group Pte. Ltd. had changed its name to ADAS Group Pte. Ltd.

5 August 2019

Completion of partial disposal of Trittech Environmental Group and its direct wholly-owned China subsidiaries

2010

2011

2012

2014

2015

2016

2017

2018

2019

2020

2021



18 Jan 2010

Registration of Trittech Qingdao

27 Aug 2010

Registration of Trittech Water Institute

April 2012

Trittech Group Ltd was awarded the Singapore Brands 2012 (新加坡品牌2012)

14 Sep 2012

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



June 2015

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



6 Sep 2018

Trittech Engineering was awarded the Annual Safety Award 2018 by LTA for Contract T2209



21 May 2020

Vavie Strong Alkaline Cleaning Water has been listed on NEA Interim List of Household Products Effective Against Coronavirus





WORKING TOWARDS OUR GOAL

Going forward, we intend to continue executing our strategy to make Tritech a leading technology center for *Urban Infrastructure, Water & Environmental One-Stop Solution Provider* in Singapore and the region.

CORPORATE INFORMATION

BOARD OF DIRECTORS

PROFESSOR YONG KWET YEW

Non-Executive Chairman and Independent Director

DR WANG XIAONING (JEFFREY WANG)

Managing Director

MR AW ENG HAI

Independent Director

DR LOH CHANG KAAH

Non-Independent Non-Executive Director

NOMINATING COMMITTEE

PROFESSOR YONG KWET YEW | Chairman

MR AW ENG HAI

DR WANG XIAONING (JEFFREY WANG)

DR LOH CHANG KAAH

AUDIT COMMITTEE

MR AW ENG HAI | Chairman

PROFESSOR YONG KWET YEW

DR LOH CHANG KAAH

REMUNERATION COMMITTEE

PROFESSOR YONG KWET YEW | Chairman

MR AW ENG HAI

DR LOH CHANG KAAH

COMPANY SECRETARY

SIAU KUEI LIAN

(Appointed on 19 February 2021)

LEE PIH PENG

(Resigned on 19 February 2021)

REGISTERED OFFICE

31 Changi South Avenue 2

Tritech Building

Singapore 486478

Tel: (65) 6848 2567

Fax: (65) 6848 2568

Website: <http://www.tritech.com.sg>

SHARE REGISTRAR

IN.CORP CORPORATE SERVICES PTE. LTD.

(formerly known as RHT Corporate Advisory Pte. Ltd.)

30 Cecil Street #19-08

Prudential Tower

Singapore 049712

INDEPENDENT AUDITORS

ERNST & YOUNG LLP

PUBLIC ACCOUNTANTS AND CHARTERED

ACCOUNTANTS

One Raffles Quay

North Tower #18-01

Singapore 048583

Partner-in-charge: **ONG BENG LEE, KEN**

(Appointed since the financial year ended 31 March 2020)

PRINCIPAL BANKERS

DBS BANK

12 Marina Boulevard #43-04

DBS Asia Central @ MBFC Tower 3

Singapore 018982

UNITED OVERSEAS BANK LIMITED

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Singapore 349350

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16 Collyer Quay

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Singapore 049318

CORPORATE GOVERNANCE REPORT

DISCLOSURE TABLE FOR COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE AND CATALIST RULES

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

For the financial year ended 31 March 2021 (“**FY2021**”), the Board and Management are pleased to confirm that the Company has adhered to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”), its related practice guidance (“**PG**”) and guidelines, the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in January 2015 (the “**Guide**”) as well as the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

This report outlines the Company’s corporate governance practices that were in place during FY2021, with specific reference to the principles and provisions of the Code and the Catalist Rules, where applicable. Where there is a deviation from the Code, an explanation of the reason for variation and how the practices the Company has adopted are consistent with the intent of the relevant principle of the Code have been explicitly stated.

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE		
Principle	Code Description	Company’s Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines of the Code?	The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable.
	If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations of the Code.	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 FY2021.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation																																			
BOARD MATTERS																																					
The Board's Conduct of Affairs																																					
1.1	<u>Board Composition</u>	As at date of this report, the Board has four (4) members and comprises the following: <table><tr><th colspan="2">Composition of the Board</th><th colspan="3">Composition of the Board Committees</th></tr><tr><td colspan="2"></td><td colspan="3"> - C – Chairman - M – Member </td></tr><tr><th>Name of Director</th><th>Designation</th><th>AC^{1,2}</th><th>NC^{1,3}</th><th>RC^{1,4}</th></tr><tr><td>Professor Yong Kwet Yew</td><td>Non-Executive Chairman and Independent Director</td><td>M</td><td>C</td><td>C</td></tr><tr><td>Dr Wang Xiaoning</td><td>Managing Director</td><td>–</td><td>M</td><td>–</td></tr><tr><td>Mr Aw Eng Hai</td><td>Independent Director</td><td>C</td><td>M</td><td>M</td></tr><tr><td>Dr Loh Chang Kaan</td><td>Non-Executive Non-Independent Director</td><td>M</td><td>M</td><td>M</td></tr></table>	Composition of the Board		Composition of the Board Committees					- C – Chairman - M – Member			Name of Director	Designation	AC ^{1,2}	NC ^{1,3}	RC ^{1,4}	Professor Yong Kwet Yew	Non-Executive Chairman and Independent Director	M	C	C	Dr Wang Xiaoning	Managing Director	–	M	–	Mr Aw Eng Hai	Independent Director	C	M	M	Dr Loh Chang Kaan	Non-Executive Non-Independent Director	M	M	M
	Composition of the Board		Composition of the Board Committees																																		
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Dr Wang Xiaoning	Managing Director	–	M	–																																	
Mr Aw Eng Hai	Independent Director	C	M	M																																	
Dr Loh Chang Kaan	Non-Executive Non-Independent Director	M	M	M																																	
	<u>Role of Board</u>	Notes: - As defined at Section 1.4 of Table I. - The AC comprises 3 members, the majority of whom, including the Chairman, are independent. All the members of the AC are non-executive Directors. - The NC comprises 4 members, half of whom, including the Chairman, are independent. The NC and the Board have been actively looking at renewal of the Board, including bringing on board an additional independent director to strengthen the independent element of the Board and looking into re-composition of the NC with a majority comprising of independent directors. - The RC comprises 3 members, the majority of whom, including the Chairman, are independent. All the members of the RC are non-executive directors. The Board is entrusted to lead and oversee the Group, with the fundamental principle to act in the best interests of the Group. In addition to its statutory duties, the Board's principal functions are to, <i>inter alia</i>: - provide entrepreneurial leadership, set out overall long-term strategic plans and objectives for the Group, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;																																			

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation
		• establish a framework of prudent and effective internal controls and risk management strategies which enables risk to be assessed and managed, including safeguarding of shareholders' interest and the Group's assets; • reviewing the performance of Management and key management personnel; • Ensure good corporate governance practices to protect the interests of shareholders; • identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation; • set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; • consider sustainability issues such as environmental and social factors, as part of the Company's strategic formulation; • oversee, through the NC, <i>inter alia</i>, the appointment, re-election and resignation of Directors and the Management; • oversee, through the AC, <i>inter alia</i>, appointment and review of external auditors ("EA"); • oversee, through the RC, <i>inter alia</i>, the design and operation of an appropriate remuneration framework; • to chart broad policies and strategies of the Company.
	<u>Practices relating to conflict of interest</u>	The Board is guided by the provisions of the constitution of the Company (the " Constitution "), which aim to avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict with the interest of the Company. The Company has in place practices to address potential conflicts of interests. All Directors are required to notify the Company promptly of all conflicts of interests as soon as practicable as well as when required and refresh the required declarations annually. Directors are required to recuse themselves from all deliberations/voting in relation to the matters which he or she has a conflict of interest in unless the Board is of the opinion that the participation of the conflicted Director is of the best interest to the Company.
	<u>Code of Ethics and Conduct</u>	The Board has put into place a Code of Ethics and Conduct to create a corporate culture within the Group to operate the businesses of the Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation
1.2	<u>Directors' training and orientation</u> (a) Are new Directors given formal training? If not, please explain why. (b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	Upon the appointment of a new Director, the Company will provide the Director with a formal letter, setting out the Director's duties and obligations. The Board ensures that all incoming Directors will receive comprehensive and tailored induction on joining the Board, including briefing on his duties as a Director and how to discharge those duties, and an orientation program to ensure that they are familiar with the Company's business and organisation structure, strategic direction and governance practices as well as the expected duties of a director of a listed company. The Company also provides training for any new first-time Directors (who have 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 are also required to attend appropriate SGX-SID Listed Company Director Programmes offered by the Singapore Institute of Directors ("SID") within 1 year from the date of his appointment in accordance with the Catalist Rules. To get a better understanding of the Company's business, the Director will also be given the opportunity to visit the Company's operational facilities and meet with key management personnel periodically. There is no new director appointed during the financial year. The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, such as, committee membership, key developments in the Company's environment, and market or operations which may be provided by accredited training providers such as SID. Directors are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the Company's business. Such trainings costs are borne by the Company.

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TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation
	<u>Training attended for FY2021</u>	During FY2021, Directors had attended certain training programmes, seminars and workshops organised by various professional bodies and organisations to equip themselves to effectively discharge their duties and to enhance their skills and knowledge, either as part of their own professional practice or skills upgrading, or through the Company. In addition, briefing and updates for the Directors in FY2021 included the following: • briefing and updates from the EA on changes or amendments to accounting standards • briefing and updates from the Company Secretary, where appropriate, on the regulatory changes under the Catalist Rules, the Companies Act (Cap. 50) of Singapore ("Companies Act") and the Code.
1.3	<u>Matters requiring Board's approval</u>	Matters and transactions that require the Board's approval include, amongst others, the following: • corporate or financial restructuring; • corporate strategy and business plans; • material acquisitions and disposals; • share issuances (including stock options or other equity awards), dividends and other capital transactions and returns to shareholders; • approval of annual audited financial statements of the Group and the Directors' Report thereto; • any public reports or press releases reporting the financial results of the Group's operations; and • matters involving a conflict or potential conflict of interest involving a substantial shareholder or a Director.
1.4	<u>Delegation to Board Committees</u>	The Board has delegated certain responsibilities to the Audit Committee ("AC"), Remuneration Committee ("RC") and Nominating Committee ("NC") (collectively, the "Board Committees"). The composition of the Board Committees is set out in Section 1.1 of Table I.

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TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation																																								
1.5	<u>Attendance of Board and Board Committees</u>	The Company has changed to half-yearly reporting of its financial results pursuant to the amendment to the Catalist Rules which took effect on 7 February 2020. In line with this, the Board and AC will be meeting on a half-yearly rather than quarterly basis, and as and when circumstances require. In FY2021, the number of Board and Board Committee Meetings held, and the attendance of each Board member are shown below. <table><tr><th colspan="5">Board and Board Committee Meetings held in FY2021</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>2</td><td>2</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>Professor Yong Kwet Yew</td><td>2</td><td>2</td><td>1</td><td>1</td></tr><tr><td>Dr Wang Xiaoning</td><td>2</td><td>2^</td><td>1</td><td>1^</td></tr><tr><td>Mr Aw Eng Hai</td><td>2</td><td>2</td><td>1</td><td>1</td></tr><tr><td>Dr Loh Chang Kaan</td><td>2</td><td>2</td><td>1</td><td>1</td></tr></table> ^ By Invitation. Dr Cai Jungang had resigned as an executive director of the Company with effect from 23 July 2020. The Company's Constitution allows for meetings to be held in person, through telephone and/or video-conference. The NC has also reviewed and confirmed that during the financial year, where an Independent Director with multiple board representations, he was able to and has been adequately carrying out his duties and sufficient time and attention are given to the affairs of the Company as a Director.	Board and Board Committee Meetings held in FY2021						Board	AC	NC	RC	Number of Meetings Held	2	2	1	1	Name of Director	Number of Meetings Attended				Professor Yong Kwet Yew	2	2	1	1	Dr Wang Xiaoning	2	2^	1	1^	Mr Aw Eng Hai	2	2	1	1	Dr Loh Chang Kaan	2	2	1	1
Board and Board Committee Meetings held in FY2021																																										
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TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

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1.6	<u>Access to information</u> What types of information does the Company provide to 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?	Directors are provided with complete, adequate and timely information related to agenda items for meetings or as required for them to make informed decisions and discharge their duties and responsibilities. Management provides the Board with the requisite information in a timely manner prior to meetings and whenever required. The information provided to Directors for FY2021 is set out in the table below. <table border="1"> <thead> <tr> <th colspan="3">Types of information provided by Management</th></tr> <tr> <th>No.</th><th>Information</th><th>Frequency</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>Half-yearly</td></tr> <tr> <td>2.</td><td>Updates to the Group's operations and the markets in which the Group operates in</td><td>Half-yearly/as and when relevant</td></tr> <tr> <td>3.</td><td>Management accounts (with financial analysis)</td><td>Half-yearly/as and when requested by the Board</td></tr> <tr> <td>4.</td><td>External Auditors' reports</td><td>Yearly</td></tr> <tr> <td>5.</td><td>Internal auditors' ("IA") report(s)</td><td>Yearly</td></tr> <tr> <td>6.</td><td>Shareholding statistics</td><td>Yearly or as and when relevant</td></tr> <tr> <td>7.</td><td>Changes or updates to enterprise risk framework</td><td>As and when relevant</td></tr> <tr> <td>8.</td><td>Significant project updates</td><td>As and when relevant</td></tr> <tr> <td>9.</td><td>Reports on on-going or planned corporate actions</td><td>As and when relevant</td></tr> <tr> <td>10.</td><td>Regulatory updates and implications</td><td>As and when relevant</td></tr> <tr> <td>11.</td><td>Research report(s)</td><td>As and when relevant</td></tr> </tbody> </table> Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information at least one week prior to the meetings to allow sufficient time for review by the Directors. Management will also on best endeavours, encrypt documents which bear material price sensitive information when circulating documents electronically. Management will also provide any additional material 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.	Types of information provided by Management			No.	Information	Frequency	1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Half-yearly	2.	Updates to the Group's operations and the markets in which the Group operates in	Half-yearly/as and when relevant	3.	Management accounts (with financial analysis)	Half-yearly/as and when requested by the Board	4.	External Auditors' reports	Yearly	5.	Internal auditors' ("IA") report(s)	Yearly	6.	Shareholding statistics	Yearly or as and when relevant	7.	Changes or updates to enterprise risk framework	As and when relevant	8.	Significant project updates	As and when relevant	9.	Reports on on-going or planned corporate actions	As and when relevant	10.	Regulatory updates and implications	As and when relevant	11.	Research report(s)	As and when relevant
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TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation
2.1 2.4 4.4	<u>Independence Assessment of Directors</u> (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 and Catalist Rules 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. <u>Independent Directors serving beyond nine years</u> 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.	The Board considers the existence of relationships or circumstances, including those identified by the Code and the Catalist Rules that are relevant to determine whether a Director is independent. In addition, the NC annually reviews the individual director's declaration in their assessment of independence, and as and when circumstances require. The NC has reviewed and confirmed that the independence of the Independent Directors is in accordance with the Code, PG and Catalist Rules. The Independent Directors have also confirmed their independence in accordance with the Code, PG and Catalist Rules. There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship that would otherwise deem him not to be independent. As required by the Code of Corporate Governance 2012, the independence of any director who served beyond nine years from the date of his first appointment should be subjected to particularly rigorous review and the Catalist rule 406(3)(d) requirement which will take effect from 1 January 2022. Notwithstanding that Professor Yong Kwet Yew and Mr Aw Eng Hai have served beyond nine years since the date of their first appointment, the NC had rigorously reviewed their past contributions to the Company and considered that they are independent in character and judgement and there were no circumstances which would likely affect or appear to affect their independent judgement. Professor Yong Kwet Yew and Mr Aw Eng Hai who have served the Board beyond nine years at the end of this financial year, will be seeking for their continued appointment as independent directors at the forthcoming annual general meeting to be held on 29 July 2021. The opinion was arrived at after careful assessment by the NC and the Board that Professor Yong Kwet Yew and Mr Aw Eng Hai are independent as they have respectively and individually: - contributed constructively and objectively throughout their terms in the Company; - sought clarification and amplification of matters from time to time as they deemed necessary, including through direct access to key management personnel; and - provided impartial advice and insights, and exercised their strong independent characters and judgements in doing so.

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		The following assessments were conducted and deliberated by the Board before arriving at the aforementioned conclusion: • review of Board and Board Committee meeting minutes to assess questions and voting actions of the respective Independent Directors; • Professor Yong Kwet Yew and Mr Aw Eng Hai's declarations of independence; and • board committee performance assessment done by the other Directors. The NC with the concurrence of the Board has reviewed the suitability and assessed the independence of Professor Yong Kwet Yew and Mr Aw Eng Hai individually, and is satisfied that there are no relationships which would deem them not to be independent. Each member of the NC has abstained from participating in the discussion and voting on any resolution related to his independence. The Company would continue to build on the acquired experience and expertise by preserving continuity and stability through orderly succession.																																				
	<u>Board diversity</u> (a) What is the Board's policy with regard to diversity in identifying director nominees? (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's policy with regard to diversity 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. The Board is mindful that diversity is not specific to gender or certain personal attributes and will strive to ensure the diversity to enhance the long-term success of the Group. The objective of the policy is to avoid groupthink and foster constructive debate and ensure that composition is optimal to support the Group's needs in the short and long term. The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows: <table border="1"> <thead> <tr> <th colspan="3">Diversity of the Board</th></tr> <tr> <th></th><th>Number of Directors</th><th>Proportion of Board</th></tr> </thead> <tbody> <tr> <td colspan="3">Core Competencies</td></tr> <tr> <td>Accounting or finance</td><td>1</td><td>25%</td></tr> <tr> <td>Business management</td><td>4</td><td>100%</td></tr> <tr> <td>Legal or corporate governance</td><td>1</td><td>25%</td></tr> <tr> <td>Relevant industry knowledge or experience</td><td>4</td><td>100%</td></tr> <tr> <td>Strategic planning experience</td><td>4</td><td>100%</td></tr> <tr> <td>Customer based experience or knowledge</td><td>4</td><td>100%</td></tr> <tr> <td colspan="3">Gender</td></tr> <tr> <td>Male</td><td>4</td><td>100%</td></tr> <tr> <td>Female</td><td>–</td><td>–</td></tr> </tbody> </table>	Diversity of the Board				Number of Directors	Proportion of Board	Core Competencies			Accounting or finance	1	25%	Business management	4	100%	Legal or corporate governance	1	25%	Relevant industry knowledge or experience	4	100%	Strategic planning experience	4	100%	Customer based experience or knowledge	4	100%	Gender			Male	4	100%	Female	–	–
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Principle	Code Description	Company's Compliance or Explanation
	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	The Board comprises business leaders and professionals with financial, business management and relevant industry experience. The Board has reviewed its composition, taking into account the size and nature of the operations of the Group, and is satisfied that the current size of the Board is appropriate and allows for effective decision making, providing the necessary core competencies to meet the Group's needs and to allow for diverse and objective perspectives on the Group's strategic direction and growth. The Independent Director, Mr Aw Eng Hai has extensive experience in accounting and corporate governance. In addition to the Executive Director and Non-Executive Directors, Independent Director Professor Yong Kwet Yew has extensive relevant industry experience, strategic planning experience and customer-based knowledge. The Board took 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 enhances 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.
2.5	<u>Meeting in the absence of the Management</u>	The Non-Executive Directors and Independent Directors will meet or confer in discussions without the presence of Management or other Directors when circumstances warrant, and the Independent Directors meet regularly without the presence of Management in the meetings with the external and IA at least annually, and on such other occasions as may be required and the chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

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BOARD MEMBERSHIP

4	<u>Steps taken to progressively renew the Board composition</u>	The Board is of the opinion that it would be more effective to draw on the wealth of experience from the longer serving directors while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed required. To meet the changing challenges in the industry and countries which the Group operates in as well as the need for progressive renewal of the Board, the Board regularly reviews the Board composition, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies ensure that the Board dynamics remain optimal.
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Principle	Code Description	Company's Compliance or Explanation
		For the review of succession plans and Board's composition for FY2021, while the NC The NC and the Board have been actively looking at renewal of the Board, including bringing on board an additional independent director to strengthen the independent element of the Board, the NC also took into consideration the amendments to the Catalist Rules in relation to the continued appointment of an independent director who has served for an aggregate period of more than nine years, bearing in mind that requirements for such directors to be considered independent will come into effect from 1 January 2022. For reasons as mentioned above, the NC is of the view that notwithstanding that Professor Yong Kwet Yew and Mr Aw Eng Hai have served on the Board beyond nine years since the date of their first appointment, the Company will take the appropriate steps, to seek shareholders' approval for their continued appointment as independent directors in accordance with the Code and the Catalist Rules.
4.1	<u>Role of NC</u>	The NC is guided by key terms of reference as follows: (a) determining annually, and as and when circumstances require, whether a Director is independent, and proving its views to the Board in relation thereto for the Board's consideration; (b) making recommendations to the Board on the appointment and re-appointment of Directors (including alternate directors, if applicable); (c) where a Director or proposed Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director; (d) carrying out, at least annually, a formal assessment of the performance and effectiveness of the Board as a whole and its Board Committees and (if applicable) the contributions of individual Directors to the effectiveness of the Board, based on the process implemented by the Board; (e) based on the results of the performance evaluation, providing its views and recommendations to the Board, including any appointment of new members; (f) the review of board succession plan for Directors; in particular the appointment/or replacement of the Chairman, the CEO and the key management personal; and (g) the review of training and professional development programs for the Board.

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TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation																														
4.3	<u>Selecting Appointment and Re-appointment of Directors</u> Please described the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	<table border="1"> <tr> <th colspan="3">Selection and Appointment of New Directors</th></tr> <tr> <th colspan="3">The NC:</th></tr> <tr> <td>1.</td><td>Determines selection criteria</td><td> In consultation with the Board, identifies the current needs and inadequacies the Board requires to complement and strengthen the Board. Determines the role and which competencies are required for the new appointment after such consultation. </td></tr> <tr> <td>2.</td><td>Search for candidates</td><td>Considers 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>Assesses shortlisted candidates</td><td> Meets and interviews the shortlisted candidates to assess their suitability, taking into account various factors including their relevant expertise, experience, qualification, background, attributes, capabilities, skills and age of the candidates and how these would augment the Board and its existing Directors, and ensure shortlisted candidates are aware of the expectation and level of commitment required. Shortlisted candidates would be required to furnish their curriculum vitae and complete certain forms to enable the NC to assess the candidate and compliance with the Company's established internal guidelines. </td></tr> <tr> <td>4.</td><td>Proposes recommendations</td><td>Makes recommendations for Board's consideration and approval.</td></tr> </table> <table border="1"> <tr> <th colspan="3">Re-election of Incumbent Directors</th></tr> <tr> <th colspan="3">The NC:</th></tr> <tr> <td>1.</td><td>Assesses incumbent director</td><td>Assess the performance of the director in accordance with the performance criteria set out by the Board with consideration of the current needs of the Board.</td></tr> <tr> <td>2.</td><td>Proposes re-appointment of Director</td><td>Recommends the re-appointment of the Director to the Board for its consideration and approval, subject to its satisfactory assessment.</td></tr> </table> After reviewing and considering the NC's recommendations, the Board would make the decision to appoint the new director and/or propose the re-election of the incumbent director for shareholders' approval.	Selection and Appointment of New Directors			The NC:			1.	Determines selection criteria	In consultation with the Board, identifies the current needs and inadequacies the Board requires to complement and strengthen the Board. Determines the role and which competencies are required for the new appointment after such consultation.	2.	Search for candidates	Considers candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.	3.	Assesses shortlisted candidates	Meets and interviews the shortlisted candidates to assess their suitability, taking into account various factors including their relevant expertise, experience, qualification, background, attributes, capabilities, skills and age of the candidates and how these would augment the Board and its existing Directors, and ensure shortlisted candidates are aware of the expectation and level of commitment required. Shortlisted candidates would be required to furnish their curriculum vitae and complete certain forms to enable the NC to assess the candidate and compliance with the Company's established internal guidelines.	4.	Proposes recommendations	Makes recommendations for Board's consideration and approval.	Re-election of Incumbent Directors			The NC:			1.	Assesses incumbent director	Assess the performance of the director in accordance with the performance criteria set out by the Board with consideration of the current needs of the Board.	2.	Proposes re-appointment of Director	Recommends the re-appointment of the Director to the Board for its consideration and approval, subject to its satisfactory assessment.
Selection and Appointment of New Directors																																
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CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation
		Pursuant to Regulation 99 of the Company's Constitution, at least one-third of the Directors are required to retire by rotation and submit themselves for re-election at each annual general meeting ("AGM") of the Company. The Company's Constitution and the Catalist Rules, provides that all Directors shall retire by rotation at least once every three years and such retiring Director shall be eligible for re-election. The NC, with the respective members interested in the discussion having abstained from the deliberations, recommended Mr Aw Eng Hai and Professor Yong Kwet Yew be nominated for re-election at the forthcoming AGM and will also be putting forward their continued appointment as an Independent Directors for shareholders' approval in separate resolutions by (a) all shareholder; and (b) all shareholders, excluding shareholders who also serve as the directors or chief executive officer of the Company, and associate of such directors and chief executive officers at the forthcoming annual general meeting of the Company to be held on 29 July 2021. Mr Aw Eng Hai, upon re-election as a Director of the Company, will remain as the Independent Director of the Company, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. The Board considers Mr Aw Eng Hai to be independent for the purpose of Rule 704(7) of the Catalist Rules. Professor Yong Kwet Yew, upon re-election as a Director of the Company, will remain as the Non-Executive Chairman and Independent Director of the Company, Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit Committee. The Board considers Professor Yong Kwet Yew to be independent for the purpose of Rule 704(7) of the Catalist Rules. Saved as disclosed, neither Mr Aw Eng Hai nor Professor Yong Kwet Yew has any material relationships between themselves and the Directors, the Company and its substantial shareholders. Pursuant to Rule 720(5) of the Catalist Rules, the additional information set out in Appendix 7F of the Catalist Rules relating to Mr Aw Eng Hai and Professor Yong Kwet Yew who are seeking re-appointment is disclosed below and is to be read in conjunction with their respective biographies under the respective sections of this Annual Report.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation
4.5	<u>Assessment of Directors' ability to discharge duties</u>	As part of the assessment of Directors' performance, the NC assesses if Directors are able to and have been adequately carrying out their duties, taking into account the multiple directorships and principal commitments of the Directors (if any). Assessment of the individual Directors' performance was based on the criteria set out in Section 5.1 of Table I. The following were used to assess the performance and consider competing time commitments of the Directors: • Declarations by each Director of their other listed company directorships and principal commitments; and • Annual confirmations by each Director on his ability to devote sufficient time and attention to the Company's affairs, having regard to his other commitments. The NC had reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and principal commitments of each of the Directors (if any) and is satisfied that all Directors were able to diligently discharge their duties for FY2021. A list of the other listed company directorships and principal commitments of each of the Directors (if any) for FY2021 is set out on pages 12 to 13 of this Annual Report. The NC has reviewed each Director's other directorships and principal commitments. Despite the multiple directorships or principal commitments of some Directors, the NC was satisfied that such Directors spent adequate time on the Company's affairs and have carried out their responsibilities and duties as a director of the Company. The NC took into account the results of the assessment of the performance of the relevant Director, the level of commitment required of the Director's other directorships or principal commitments, and the relevant Director's actual conduct and participation on the Board and board committees, including availability and attendance at regular scheduled meetings and ad-hoc meetings, in making the determination, and is satisfied that such Directors have been able to and have adequately carried out their duties as Director notwithstanding their other directorships or principal commitments.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation
	<u>Multiple Directorships</u> (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? (b) If a maximum has not been determined, what are the reasons? (c) What are the specific considerations in deciding on the capacity of directors?	The Board has not capped the maximum number of listed company board representations each Director may hold. 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, and the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his other listed company board directorships and other principal commitments, not guided by a numerical limit. The NC would monitor and determine annually, on a case-by-case basis, whether each Director has given sufficient time and attention to the affairs of the Company and adequately carry out his duties as a Director of the Company. Although some of the Directors have other board representations, the NC is satisfied that in FY2021, each Director was able to devote adequate time and attention to the affairs of the Company to fulfil his duties as a Director of the Company. Some specific considerations which may be relevant in assessing the capacity of Directors include: • expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity; • geographical location of Directors; • size and composition of the Board; • nature and scope of the Group's operations and size; and • capacity, complexity and expectations of the other listed directorships and principal commitments held. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from consideration outstanding individuals who, despite the demands of their time, have the capacity to participate and contribute as members of the Board.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE										
Principle	Code Description	Company’s Compliance or Explanation								
PG 4	<u>Alternate Directors</u>	The Company currently does not have any alternate directors. Alternate directors will be appointed as and when the Board deems necessary. Circumstances which warrant such appointments may include health, age related concerns as well as Management succession plans.								
BOARD PERFORMANCE										
5.1	<u>Performance Criteria</u>	The table below sets out the key performance criteria, recommended by the NC and approved by the Board, to evaluate the effectiveness of the Board as a whole and its Board Committees. The evaluations are designed to assess the Board’s effectiveness to enable the NC Chairman and Board to identify the areas of improvement or enhancement which can be made to the Board. <table><tr><th colspan="2">Board Performance Criteria</th></tr><tr><th>Key Performance Criteria</th><th>Board and Board Committees</th></tr><tr><td>Qualitative</td><td> 1. Size and composition, access to information and Board processes 2. Strategic planning 3. Board accountability 4. Risk management 5. Succession planning </td></tr><tr><td>Quantitative</td><td>The Board currently does not evaluate the Board and Board Committees based on quantitative criteria as the Board is of the opinion that it is more important to evaluate the Board and Board Committees on its ability to provide guidance to Management in relation to strategic planning and the development of the business of the Group. However, the Board will keep in view and consider including quantitative criteria in future evaluations where appropriate.</td></tr></table> The NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration, inter alia, industry standards, changes to the Group’s principal business activities and markets which it operates in, necessary core competencies needed to meet the Group’s needs, with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval.	Board Performance Criteria		Key Performance Criteria	Board and Board Committees	Qualitative	1. Size and composition, access to information and Board processes 2. Strategic planning 3. Board accountability 4. Risk management 5. Succession planning	Quantitative	The Board currently does not evaluate the Board and Board Committees based on quantitative criteria as the Board is of the opinion that it is more important to evaluate the Board and Board Committees on its ability to provide guidance to Management in relation to strategic planning and the development of the business of the Group. However, the Board will keep in view and consider including quantitative criteria in future evaluations where appropriate.
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CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation
		The NC did not propose any changes to the performance criteria but have adopted the respective evaluation questionnaire based on the revised Code for the performance of the Board, the Board committees and individual directors for FY2021 as compared to the previous financial year inter alia as the Group's principal business activities and markets which it operates in remained largely the same, apart from the disruptions to business and operations due to the implementation of the circuit breaker measures as a response to the COVID-19 pandemic.
5.2	<u>Performance Review</u> (a) What was the process upon which the Board reached the conclusion on its performance for the financial year? (b) Has the Board met its performance objectives?	The review of the performance of the Board and the Board Committees is conducted by the NC annually. Such assessment is focused on the performance and effectiveness of the Board as a whole and on the proper functioning of the various Board Committees and include a separate or specific assessment of the performance or contributions of individual Directors. In FY2021, 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 the table above; 2. The results of such assessment were collated and submitted to the NC Chairman who reviewed it together with the NC; and 3. The NC discussed the report and where applicable considered and made recommendations to the Board on any appropriate follow up actions to be undertaken. No external facilitator was used in the evaluation process. In FY2021, in relation to the rigorous assessment that was done by the Directors, the Directors have on a whole assessed the performance of the Board and Board committees to be good and there were no particular issues or concerns that were highlighted. On this basis, the Board has met its performance objectives.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation
REMUNERATION MATTERS		
DEVELOPING REMUNERATION POLICIES		
6.1 6.3	<u>Role of the RC</u>	The RC is guided by key terms of reference which include: (a) Review and recommend to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel; (b) Consider and approve termination payments, retirement payments, gratuities, ex-gratia payment, severance payments and other similar payments to each member of key management personnel; (c) reviewing all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefit-in-kind; (d) reviewing annually the remuneration of employees who are immediate family members of a Director or the Managing Director or a substantial shareholder and whose remuneration exceeds S\$100,000 during the financial year; and (e) reviewing the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service. The RC's review and recommendations cover all aspects including fees, salaries, allowance, bonuses, options, share-based incentives, awards and benefits-in-kind. No member of the RC is involved in deciding his own remuneration, except in providing information and documents if specifically requested by the RC in its deliberation.
6.4	<u>Engagement of Remuneration Consultants</u>	No remuneration consultants were engaged by the Company for FY2021 for the remuneration packages of its Directors and key management personnel as the Company is of the view that the annual review by the RC, giving due regard to prevailing market conditions as well as the financial, commercial health and business needs of the Group, is currently sufficient to ensure the continued relevance of such remuneration packages to the Group's strategic business objectives and alignment with market practices.

CORPORATE GOVERNANCE

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TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE		
Principle	Code Description	Company's Compliance or Explanation
	<u>"Claw-back" Provisions</u>	There are no contractual provisions which allow the Company to reclaim incentives from the Executive Directors and key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Directors and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate.
LEVEL AND MIX OF REMUNERATION		
DISCLOSURE ON REMUNERATION		
7.1 7.3 8.1	<u>Remuneration Policy</u>	The Company's remuneration policy which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards is one that seeks to attract, retain and motivate the Directors to provide good stewardship of the Company and the key management to successfully manage the Company. The policy allows the Company to align the interest of individual Directors and key management to those of the shareholders and promotes 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.
	<u>Remuneration Structure for Executive Directors and Key Management Personnel</u> (a) Please describe how the remuneration received by the Executive Directors and key management personnel has been determined by the performance criteria.	The remuneration received by the Executive Directors and key management personnel is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance to promote the long-term sustainability of the Group. The remuneration package takes into consideration the Executive Director's and Key Management Personnel's individual performance and contribution towards the overall performance of the Group for FY2021. 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.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation									
	(b) What were the performance conditions used to determine their entitlement under the short term and long-term incentive schemes?	The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in align with the goals of all stakeholders. <table> <tr> <th>Performance Conditions</th><th>Short-term Incentives (such as performance bonus)</th><th>Long-term Incentives (such as share scheme)</th></tr> <tr> <td>Qualitative</td><td> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors </td><td> 1. Commitment 2. Current market and industry practices </td></tr> <tr> <td>Quantitative</td><td> 1. Relative financial performance of the Group to its industry peers 2. Productivity enhancement </td><td> 1. Relative financial performance of the Group to its industry peers over a 5-year period </td></tr> </table>	Performance Conditions	Short-term Incentives (such as performance bonus)	Long-term Incentives (such as share scheme)	Qualitative	1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors	1. Commitment 2. Current market and industry practices	Quantitative	1. Relative financial performance of the Group to its industry peers 2. Productivity enhancement	1. Relative financial performance of the Group to its industry peers over a 5-year period
Performance Conditions	Short-term Incentives (such as performance bonus)	Long-term Incentives (such as share scheme)									
Qualitative	1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors	1. Commitment 2. Current market and industry practices									
Quantitative	1. Relative financial performance of the Group to its industry peers 2. Productivity enhancement	1. Relative financial performance of the Group to its industry peers over a 5-year period									
	(c) Were all of these performance conditions met? If not, what were the reasons?	Yes, the RC has reviewed and is satisfied that the performance conditions were met in FY2021.									
7.2	<u>Remuneration Structure of Non-Executive Directors</u>	The Non-Executive Directors receive their remuneration in the form of directors' fees, and the level and structure of such remuneration takes into consideration factors such as the role and responsibilities of individual Directors, the effort and time spent in attending meetings of the Board and Committees and other involvement and participation in the affairs of the Company and the Group. The payment of directors' fees to the Non-Executive and Independent Directors for services rendered in FY2021 is subject to the approval of shareholders at the AGM of the Company. The fees for the financial year in review are determined in the previous financial year, proposed by the Management submitted to the RC for review and thereafter recommended to the Board for approval. The Executive Director does not receive directors' fees. The RC has reviewed and assessed that the remuneration of the Non-Executive and Independent Directors for FY2021 is appropriate, considering the effort, time spent and responsibilities. Apart from directors' fees, there are consultancy fees paid to our Non-Executive Non-Independent Director, Dr Loh Chang Kaan in respect of the consultancy services which he provides to the Group outside the scope of his office as a Director of the Company. Please refer to Section 8.1 (a) for further details.									

CORPORATE GOVERNANCE

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TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE																																							
Principle	Code Description	Company’s Compliance or Explanation																																					
8.1 (a) 8.1 (b)	(a) Has the Company disclosed each Director’s and the CEO’s remuneration as well as a break down (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?	The breakdown for the remuneration¹ of the Directors and the Managing Director for FY2021 is as follows: <table><tr><th colspan="5">Directors and Managing Director’s Remuneration</th></tr><tr><th></th><th>Salary (%)</th><th>Bonus (%)</th><th>Directors’ Fees (%)</th><th>Benefits (%)*</th></tr><tr><td>Dr Wang Xiaoning</td><td>87.5</td><td>7.3</td><td>–</td><td>5.2</td></tr><tr><td>Dr Loh Chang Kaan²</td><td>–</td><td>–</td><td>100</td><td>–</td></tr><tr><td>Professor Yong Kwet Yew</td><td>–</td><td>–</td><td>100</td><td>–</td></tr><tr><td>Mr Aw Eng Hai</td><td>–</td><td>–</td><td>100</td><td>–</td></tr><tr><td>Dr Cai Jungang³</td><td>100</td><td>–</td><td>–</td><td>–</td></tr></table> * includes mainly employer’s contributions to the Central Provident Fund and insurance. ¹ The annual remuneration of each individual Director and CEO/ Managing Director for FY2021 is not disclosed in exact dollar terms as the Board believes that such disclosure would be disadvantageous to the Group’s business interest given the highly niche and competitive industry that the Company operates in, which is highly reliant on employees with specialised skill sets. ² Apart from the Director’s fee payable to Dr Loh Chang Kaan which will be subjected to shareholders’ approval at the upcoming AGM, Dr Loh Chang Kaan was paid certain consultancy fees pursuant to the consultancy agreement dated 1 April 2019 entered into between Dr Loh Chang Kaan and Trittech Consultants Pte. Ltd. (“Trittech Consultants”) and the consultancy agreement dated 21 May 2019 entered into between Dr Loh Chang Kaan and TGL Engineering Group Pte. Ltd. (“TGL Engineering”) (collectively the “Consultancy Agreements”). Please refer to Section 1204(17) of Table II for further details on the amounts paid under the Consultancy Agreements for FY2021.			Directors and Managing Director’s Remuneration						Salary (%)	Bonus (%)	Directors’ Fees (%)	Benefits (%)*	Dr Wang Xiaoning	87.5	7.3	–	5.2	Dr Loh Chang Kaan ²	–	–	100	–	Professor Yong Kwet Yew	–	–	100	–	Mr Aw Eng Hai	–	–	100	–	Dr Cai Jungang ³	100	–	–	–
Directors and Managing Director’s Remuneration																																							
	Salary (%)	Bonus (%)	Directors’ Fees (%)	Benefits (%)*																																			
Dr Wang Xiaoning	87.5	7.3	–	5.2																																			
Dr Loh Chang Kaan ²	–	–	100	–																																			
Professor Yong Kwet Yew	–	–	100	–																																			
Mr Aw Eng Hai	–	–	100	–																																			
Dr Cai Jungang ³	100	–	–	–																																			

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TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation																												
		Under the consultancy agreement between TGL Engineering and Dr Loh Chang Kaan, Dr Loh has agreed inter alia, to assist Presscrete Engineering Pte. Ltd. ("Presscrete"), a former subsidiary, in undertaking the completion of certain Agreed Projects of Presscrete on an unremunerated basis as required under the terms and conditions of the disposal of Presscrete by TGL Engineering. Under the consultancy agreement between Tritech Consultants and Dr Loh Chang Kaan, Dr Loh Chang Kaan has agreed inter alia, to provide consultancy services to Tritech Consultants in connection with the execution of certain projects undertaken by Tritech Consultants. The consultancy fees paid in FY2021 to Dr Loh Chang Kaan comprise the agreed fixed remuneration under the Consultancy Agreements and a bonus payment made by Tritech Consultants. There was no termination, retirement, post-employment benefits that may be granted to the Directors, the Managing Director and top 3 key management personnel. ³ Dr Cai Jungang had resigned as an executive director of the Company with effect from 23 July 2020.																												
	(b) 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? (c) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).	Given the size and nature of the Company's business, the Company has only identified 3 top key management personnel (excluding key management personnel who are not Directors or the Managing Director) in FY2021. <table><tr><th colspan="4">Remuneration of Key Management Personnel</th></tr><tr><th></th><th>Salary (%)</th><th>Bonus (%)</th><th>Benefits (%)*</th></tr><tr><td colspan="4">S\$250,000 to S\$499,999</td></tr><tr><td>Mr Wang Yongjie</td><td>87.1</td><td>7.3</td><td>5.6</td></tr><tr><td colspan="4">Below S\$250,000</td></tr><tr><td>Ms Bi Xiling</td><td>86.0</td><td>7.2</td><td>6.8</td></tr><tr><td>Dr Hong Sze Han</td><td>86.2</td><td>5.0</td><td>8.8</td></tr></table> * includes mainly employer's contributions to the Central Provident Fund. The total remuneration paid to the top 3 key management personnel (excluding key management personnel who are not Directors or the Managing Director) for FY2021 was S\$589,004.	Remuneration of Key Management Personnel					Salary (%)	Bonus (%)	Benefits (%)*	S\$250,000 to S\$499,999				Mr Wang Yongjie	87.1	7.3	5.6	Below S\$250,000				Ms Bi Xiling	86.0	7.2	6.8	Dr Hong Sze Han	86.2	5.0	8.8
Remuneration of Key Management Personnel																														
	Salary (%)	Bonus (%)	Benefits (%)*																											
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Dr Hong Sze Han	86.2	5.0	8.8																											

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Principle	Code Description	Company's Compliance or Explanation
8.2	The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.	Save for the Managing Director, there are no employees who were substantial shareholders of the Company in FY2021. Ms Bi Xiling, Technical Director of Trittech Consultants Pte. Ltd. is the spouse of Dr Cai Jungang. Dr Cai Jungang was an Executive Director of the Company in FY2020, who had since resigned as an Executive Director of the Company with effect from 23 July 2020 but remains a substantial shareholder of the Company. The remuneration of Ms Bi Xiling was between S\$150,000 to S\$200,000 in FY2021.
8.3	<u>Employee Share Scheme(s)</u>	As the Trittech Group Performance Share Plan had expired on 26 July 2020, the Company will be seeking shareholders' approval at an EGM to be convened on 29 July 2021 at 11:00 am (or as soon as practicable following the conclusion or adjournment of the Company's Annual General Meeting to be held on the same day at 10:30 am) for the adoption of Trittech Group Performance Share Plan 2021. Information on the Company's Performance Share Plan are set out on page 63 of this Annual Report.
ACCOUNTABILITY AND AUDIT		
RISK MANAGEMENT AND INTERNAL CONTROLS		
9.1	<u>Risk Governance by the Board</u>	The Board is responsible for the overall risk governance, risk management and internal control framework of the Group. The Board has in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks. The Board also oversees Management in the design, implementation and monitoring of the risk management and internal control systems and is responsible for determining the Company's risk policies and level of risk tolerance.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation
	<u>Identification of the Group's Risks</u>	The Group has in place a structured and systematic approach to risk management and aims to mitigate the exposures through appropriate risk management strategies and internal controls, which parameters have been reviewed and approved by the Board on an annual basis. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to ensure strategic, business, operational, financial, reporting, compliance and information technology risk exposures are identified and appropriately managed.
	<u>Management of Risk</u>	Given the nature and size of the Group's business and operations, the Company has not established a separate Risk Management Committee. Instead the review of the Group's risk management and internal control systems including, financial, operational, compliance and information technology controls, falls under the purview the AC. The Directors and the AC reviews all significant control policies and procedures of the Group on a periodic basis, including through the annual internal audits conducted by the IA. Where there were no material weaknesses identified, the Board noted that there are some areas requiring improvement as identified by the IA during the course of their audit performed in FY2021. The Board has accepted the IA's recommendations and has implemented the various recommendations to address such deficiencies identified. The Board notes that the system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation
9.2	<u>Confirmation of Internal Controls</u> (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. (b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	The Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology risks) and risk management systems were adequate and effective for FY2021. The bases for the Board's view are as follows: 1. assurance has been received from the Managing Director, Financial Controller and IA (please refer to section 9.2(b) of Table I); 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 evaluate, monitors material risks and reports to the AC on a regular basis; and 4. discussions were held between the AC and auditors in the absence of management to review and address any potential concerns. Yes, the Board has obtained such assurance from the Managing Director and Financial Controller in respect of FY2021. The Board has also relied on the EA's report as set out in this Annual Report as assurance that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances. The Board has additionally relied on IA's report issued to the Company in respect of FY2021 as assurances that the Company's risk management and internal control systems to the matters reported upon are effective.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE		
Principle	Code Description	Company's Compliance or Explanation
AUDIT COMMITTEE		
10.1 10.3	<u>Role of the AC</u>	All members of the AC are Non-Executive Directors, majority of whom are independent, and do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previously partners or directors of the Company's external audit firm within a period of two years commencing on the date of their ceasing to be a partner of the external audit firm and none of the AC members hold any financial interest in the external audit firm. The AC is guided by its key terms of reference, which includes, inter alia: (a) reviewing the significant financial reporting issues and judgements to ensure the integrity of the financial statements of the Company and any announcements relating to the Group's financial performance; (b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls; (c) reviewing the assurance from the Managing Director and the Financial Controller on the financial records and financial statements; (d) making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the EA, and the remuneration and terms of engagement of the EA; (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and internal audit function; (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on; and (g) reviewing interested persons transactions in accordance with the Catalist Rules. The AC has incorporated a whistle blowing policy into the Company's internal control procedures to provide a channel for staff and external parties to report in good faith and in confidence, without fear of reprisals, concerns about suspected fraud, corruption, dishonest practices or other similar matters. The objective of the policy is to ensure an independent investigation of such matters and for appropriate follow-up actions.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation
	<u>Whistle Blowing Policy</u>	The AC has in consultation with the Board, initiated the implementation of a fraud and whistle-blowing policy for all employees including employees of the Company's overseas subsidiaries to raise concerns about possible improprieties in matter of financial reporting or other matters. The policy seeks to encourage reporting in good faith of suspected improprieties (e.g. conduct that is dishonest, fraudulent, corrupt, illegal, other serious improper conduct, unsafe work practice or any other conduct which may cause financial or non-financial loss to the Company or damage to the Company's reputation). While the policy aims to provide an avenue for employees to raise concerns with the reassurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith, a person who files a report or provides evidence which he knows to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by the whistle-blowing policy and may be subject to administrative and/or disciplinary action. Similarly, a person may be subject to administrative and/or disciplinary action if he subjects (i) a person who has made or intends to make a report in accordance with the whistle-blowing policy, or (ii) a person who was called or may be called as a witness, to any form of reprisal which would not have occurred if he did not intend to, or had not made the report, or be a witness. The details of the whistle-blowing policy are made available to all employees. The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle-blowing report to the following members of the AC via email: whistleblow@tritech.com.sg. The key details on the Company's whistle-blowing policy are as follows: - the AC has authority to investigate any matter including whistle-blowing within its Terms of Reference; - all whistle-blower complaints will be reviewed by the AC to ensure independent and thorough investigation and adequate follow-up; - the Company has maintained a whistle-blowing register to record all the whistle-blowing incidents; - reports made anonymously will not be considered unless as directed by the AC. The AC will consider factors such as the severity of the matters raised to determine if the AC may accept such anonymous disclosures. If accepted by the AC, anonymity and confidentiality will be honoured throughout the process; and - all contents of the whistle-blowing register are reviewed by the AC during its meetings. To-date, there were no reports received through the whistle-blowing channel.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation
10.2	<u>Qualification of the AC Members</u>	The Board considers Mr Aw Eng Hai, who has extensive and practical accounting and financial management knowledge and experience, to be well qualified to chair the AC and other members of the AC, including Professor Yong Kwet Yew who has extensive experience as a director and a member of the audit committee in another listed company, to have sufficient experience to be appropriately qualified to discharge their responsibilities in the AC.
10.4	<u>Internal Audit Function</u>	The Company does not have an in-house internal audit function. The Company's internal audit function is outsourced to RHT Governance, Risk and Compliance (Singapore) Pte. Ltd. ("RHTGRC") that reports directly to the AC Chairman and administratively to the Managing Director. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation to whom the internal audit function of the Company is outsourced to. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied and is of the opinion that RHTGRC is independent, effective, adequately qualified and resourced, and has the appropriate standing in the Company to discharge its duties effectively given, inter alia, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.
10.5	<u>Met Auditors in Management's Absence</u>	The AC has met with the IA and EA separately without the presence of the management in FY2021.
SHAREHOLDER RIGHTS AND ENGAGEMENT		
SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
11.1	<u>Shareholder's participation at General Meetings</u>	Shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in and vote at general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures, that govern the general meetings of shareholders. The Company also appoints independent scrutineer to provide assurance of the conduct and integrity of the voting process and results in its general meetings in accordance with the Catalyst Rules.

CORPORATE GOVERNANCE

REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE

Principle	Code Description	Company's Compliance or Explanation
	<u>Appointment of Proxies</u>	In view of the current coronavirus disease 2019 (COVID-19) situation, the AGM of the Company held in respect of FY2020 was convened and held by electronic means on 28 September 2020 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions at or prior to the AGM and voting by appointing the Chairman of the AGM as proxy, was put in place for the AGM FY2020 of the Company. By the same token, the Company anticipates that the forthcoming AGM of the Company to be held in respect of FY2021 will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions at or prior to the AGM and voting by appointing the Chairman of the AGM as proxy, will be put in place for the forthcoming AGM of the Company. In the usual circumstances, the Company's Constitution allows a shareholder to appoint up to two proxies to attend and vote in the shareholder's place at the general meetings of shareholders. Under the multiple proxies regime under the Companies Act, investors who hold the Company's shares through relevant intermediaries, such as a nominee company or custodian bank or through a Central Provident Fund agent bank may attend and vote at general meetings.
11.2	<u>Bundling of Resolutions</u>	Resolutions requiring shareholders' approval are tabled separately for adoption at the Company's general meetings unless they are closely related and are more appropriately tabled together. Reasons and implications of why resolutions are bundled will be set out in the circulars sent out.
11.3	<u>Directors' Attendance</u>	The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings, 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 EA's report.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE		
Principle	Code Description	Company's Compliance or Explanation
11.4	<u>Absentia Voting</u>	The Company's Constitution allows for absentia voting (including but not limited to the voting by mail, electronic mail or facsimile).
11.5	<u>Publication of Minutes</u>	The Company currently does not have a policy of publishing the minutes of general meetings of shareholders on its corporate website and/or SGXNET, although the Company may consider publishing minutes of the general meeting of shareholders on its corporate website and/or SGXNET on a routine basis where considered appropriate in future. Nevertheless all minutes of general meetings which include substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management will be made available to shareholders upon their request within 14 days of such request after the general meeting. In accordance with the requirements under the COVID-19 (Temporary measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Minutes for the upcoming AGM to be convened on 29 July 2021 will be published on SGXNET within one month after the general meeting.
11.6	<u>Dividend Policy</u> (a) Does the Company have a dividend policy? (b) Is the Company paying dividends for the financial year? If not, please explain why.	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 various factors, <i>inter alia</i>, the Company's results of operations, cash flows and financial position, the Company's expansion requirements and working capital requirements, dividend payment by the Company's subsidiaries and the Company's future growth and prospects. Nonetheless, key management personnel will review, <i>inter alia</i>, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make the appropriate recommendations to the Board on dividend declarations, if applicable. The Board did not declare dividends to shareholders for FY2021 as the Company was in loss making position for FY2021 and continues to operate under challenging conditions for its water-related and environmental business segment.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE		
Principle	Code Description	Company's Compliance or Explanation
ENGAGEMENT WITH SHAREHOLDERS		
12.1 12.2 12.3 13.3	Communication with Shareholders (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. Communication is made through: 1. The Board ensures that the annual report sent to all shareholders and has 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. Half-yearly 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 the AGM and extraordinary general meetings ("EGM"). The notice of AGM and EGM are also advertised in a national newspaper; and 4. Press and new releases on major developments of the Company and the Group. Shareholders are also able to reach out to the Company with their concerns and/or feedback via shareholder@tritech.com.sg.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	The Company currently does not have a dedicated investor relations team, but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arise. Notwithstanding the foregoing, the Board endeavours to establish and maintain regular dialogue with shareholders as to gather view or inputs and address shareholders' concern. The Board will also engage in investor relations activities to allow the Company to engage shareholders as and when it deems necessary and appropriate.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the Annual Report?	Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at www.tritech.com.sg. All materials presented in general meetings are uploaded on the SGXNET. For enquires and all other matters, Shareholders and all other parties can contact the Company at shareholder@tritech.com.sg.

CORPORATE GOVERNANCE REPORT

TABLE I – COMPLIANCE WITH THE CODE AND THE GUIDE		
Principle	Code Description	Company's Compliance or Explanation
MANAGING STAKEHOLDERS RELATIONSHIP		
ENGAGEMENT WITH STAKEHOLDERS		
13.1 13.2	<u>Stakeholders Management</u>	On an annual basis, the Company identifies and engages with its material stakeholders to promote the adoption of sustainable practices along its value chain. The Company assesses the material environmental, social and governance ("ESG") factors that affect the Group.

TABLE II – COMPLIANCE WITH CATALIST RULES																	
Rule	Rule Description	Company's Compliance or Explanation															
711A, 711B	<u>Sustainability Reporting</u>	The Company will be publishing its sustainability report for FY2021 by 31 August 2021 on SGXNET and the Company's website which will highlight, inter alia, the key ESG factors currently being considered by the Company. The sustainability report for FY2021 will be prepared with reference to the Global Reporting Initiative – G4 Sustainability Reporting Guidelines issued by the Global Sustainability Standards Board as well as Practice Note 7F of the Sustainability Reporting Guide under the Catalist Rules.															
720(5)	<u>Information relating to Directors seeking re-election</u>	Information relating to the Directors seeking re-election as per Appendix 7F of the Catalist Rules is set out in Table III of this report.															
1204(6)(A)	<u>Non-audit fees</u> 1. Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.	<table border="1"> <thead> <tr> <th colspan="3">Table 1204(6)(A) – Fees Paid/Payable to the EA for FY2021</th></tr> <tr> <th></th><th>S\$</th><th>% of total</th></tr> </thead> <tbody> <tr> <td>Audit Fees</td><td>147,000</td><td>81.1</td></tr> <tr> <td>Non-Audit Fees</td><td>34,200</td><td>18.9</td></tr> <tr> <td>Total</td><td>181,200</td><td>100.0</td></tr> </tbody> </table>	Table 1204(6)(A) – Fees Paid/Payable to the EA for FY2021				S\$	% of total	Audit Fees	147,000	81.1	Non-Audit Fees	34,200	18.9	Total	181,200	100.0
Table 1204(6)(A) – Fees Paid/Payable to the EA for FY2021																	
	S\$	% of total															
Audit Fees	147,000	81.1															
Non-Audit Fees	34,200	18.9															
Total	181,200	100.0															
1204(6)(B)	<u>Confirmation by AC</u> 2. If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.	As the non-audit services rendered during FY2021 were not substantial, the AC is of the view that they will not affect the independence of the EA.															
1204(6)(C)	<u>Appointment of Auditors</u>	The Company confirms its compliance to Rules 712 , 715 and 716 of the Catalist Rules.															

CORPORATE GOVERNANCE

REPORT

TABLE II – COMPLIANCE WITH CATALIST RULES

TABLE II – COMPLIANCE WITH CATALIST RULES												
Rule	Rule Description	Company’s Compliance or Explanation										
1204(8)	<u>Material Contracts</u>	Save as for the Consultancy Agreements entered into between Dr Loh Chang Kaan and the Group further details of which are set out in Section 8.1 (a) of Table I, 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 FY2021 or if not then subsisting, entered into since the end of the previous financial year.										
1204(10)	<u>Adequacy of Internal Controls</u>	Please refer to the confirmation provided by the Board in Section 9.2 of Table I.										
1204(10B)	<u>Adequacy of Internal Audit Function</u>	Please refer to the confirmation provided in Section 10.4 of Table I.										
1204(17)	<u>Interested Persons Transactions (“IPT”)</u>	The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interest of the Company and its minority shareholders.										
		The details of interested person transactions that are \$100,000 or more for FY2021 are set out below.										
		<table><tr><th>Name of Interested Person</th><th>Nature of Relationship</th><th>Aggregate value of interested person transactions during financial year ended 31 March 2021 (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) \$’000</th><th>Aggregate value of all interested person transactions during financial year ended 31 March 2021 which are conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$’000</th></tr><tr><td>Consultancy fees paid/payable to Dr Loh Chang Kaan</td><td>Non-Independent Non-Executive Director</td><td>407</td><td>–</td></tr></table>			Name of Interested Person	Nature of Relationship	Aggregate value of interested person transactions during financial year ended 31 March 2021 (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) \$’000	Aggregate value of all interested person transactions during financial year ended 31 March 2021 which are conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$’000	Consultancy fees paid/payable to Dr Loh Chang Kaan	Non-Independent Non-Executive Director	407	–
		Name of Interested Person	Nature of Relationship	Aggregate value of interested person transactions during financial year ended 31 March 2021 (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) \$’000	Aggregate value of all interested person transactions during financial year ended 31 March 2021 which are conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$’000							
Consultancy fees paid/payable to Dr Loh Chang Kaan	Non-Independent Non-Executive Director	407	–									
The total value computed above is the total value of the agreed fixed remuneration under the Consultancy Agreements for FY2021 and bonus payments made by Trittech Consultants. Please refer to Section 8.1 (a) for details in relation to the Consultancy Agreement.												

CORPORATE GOVERNANCE REPORT

TABLE II – COMPLIANCE WITH CATALIST RULES		
Rule	Rule Description	Company's Compliance or Explanation
1204(19)	<u>Dealing in Securities</u>	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 shares on short term considerations and are prohibited from dealing in the Company's securities during the period commencing one month before the announcement of the Group's half-year and full-year financial results respectively, and ending on the date of the announcement of the relevant results. The Company, its Directors and officers are also expected to observe insider trading laws at all times even when dealing with Company's securities within the permitted trading period.
1204(21)	<u>Non-Sponsor Fees</u>	No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2021.
1204(22)	<u>Use of IPO Proceeds</u>	There are no outstanding proceeds raised from IPO or any offerings pursuant to Chapter 8 of the Catalist Rules.

Please refer to the table below for additional information on Directors to be re-elected at the forthcoming AGM:

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be Re-Elected	
	Professor Yong Kwet Yew	Aw Eng Hai
Designation	Non-Executive Chairman and Independent Director	Independent Director
Date of Appointment	9 June 2008	4 September 2009
Date of Last Re-Appointment	29 July 2019	28 September 2020
Age	67	53
Country of Principal Residence	Singapore	Singapore
Academic qualifications	BEng (1st Class), PhD, PEng, Hon FIES, SID	National University of Singapore – Bachelor of Business Administration (Honours)
Job Title (eg. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Chairman and Independent Director, Chairman of Nominating Committee and Remuneration Committee and a member of Audit Committee	Independent Director, Chairman of Audit Committee and a member of Nominating Committee and Remuneration Committee

CORPORATE GOVERNANCE REPORT

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be Re-Elected	
	Professor Yong Kwet Yew	Aw Eng Hai
Professional memberships/Qualifications	BEng (1st Class), PhD, PEng, FIES, SID	Practising member of the Institute of Singapore Chartered Accountants, Fellow of the Association of Chartered Certified Accountants, Fellow of Insolvency Practitioners Association of Singapore and member of INSOL International
<u>Current directorships</u>		
Public companies	- BBR Holdings (S) Ltd – Independent Director - Tritech Group Limited – Independent Director - Boustead Projects Limited – Independent Director	- Tritech Group Limited – Independent Director - Yinda Infocomm Limited – Independent Director
Private companies	Nil	- Foo Kon Tan Advisory Services Pte. Ltd. – Director - Foo Kon Tan Transaction Services Pte. Ltd. – Director - Airtrust (Singapore) Pte. Ltd. – Director - Hunting Airtrust Tubulars Pte. Ltd. – Director - Century Master Pte. Ltd. – Director - TXZ Tankers Pte. Ltd. – Director
<u>Past directorships (in the last 5 years)</u>		
Public companies	Nil	Capital World Limited – Independent Director
Private companies	Nil	Nil
Principal commitments ¹	- National University of Singapore - BBR Holdings (S) Ltd - Tritech Group Limited - Boustead Projects Limited	- Tritech Group Limited - Foo Kon Tan LLP - Foo Kon Tan Advisory Services Pte. Ltd. - Foo Kon Tan Transaction Services Pte. Ltd. - Yinda Infocomm Limited

¹ Include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

CORPORATE GOVERNANCE REPORT

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be Re-Elected	
	Professor Yong Kwet Yew	Aw Eng Hai
Shareholding interest in the Company and its subsidiaries	1,300,000 Ordinary Shares in the Company	1,765,000 Ordinary Shares in the Company
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Professor Yong Kwet Yew's performance as a Non-Executive Chairman and Independent Director of the Company	The Board of Directors of the Company has accepted the NC's recommendation, who has reviewed and considered Mr Aw Eng Hai's performance as an Independent Director of the Company
Whether the appointment has changed from non-executive to executive. If so, please state the area of responsibility	Non-Executive Chairman and Independent Director	Independent Director
Working experience and occupation(s) during the past 10 years	1. National University of Singapore – Professor and Senior Vice President 2. BBR Holdings (S) Ltd – Independent Director 3. Trittech Group Limited – Independent Director 4. Boustead Projects Limited – Independent Director	1. Foo Kon Tan LLP – Partner 2. Yinda Infocomm Limited – Independent Director 3. Trittech Group Limited – Independent Director 4. Foo Kon Tan Advisory Services Pte. Ltd. – Director 5. Foo Kon Tan Transaction Services Pte. Ltd. – Director 6. Capital World Limited – Independent Director
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under rules 720(1) has been submitted to the listed issuer?	Yes	Yes

CORPORATE GOVERNANCE REPORT

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be Re-Elected	
	Professor Yong Kwet Yew	Aw Eng Hai
The general statutory disclosures of the Directors are as follows:		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgement against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

CORPORATE GOVERNANCE REPORT

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be Re-Elected	
	Professor Yong Kwet Yew	Aw Eng Hai
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

CORPORATE GOVERNANCE REPORT

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be Re-Elected	
	Professor Yong Kwet Yew	Aw Eng Hai
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Prior Experience as a Director of a Listed Company on the Exchange		
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This relates to the re-election of a director.	Not applicable. This relates to the re-election of a director.
Attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange?	N.A	N.A

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Trittech Group Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2021.

OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

Professor Yong Kwet Yew
 Dr Wang Xiaoning
 Dr Loh Chang Kaan
 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, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Trittech Group Limited				
Ordinary shares				
Professor Yong Kwet Yew	1,300,000	1,300,000	—	—
Dr Wang Xiaoning	120,673,628	120,673,628	—	—
Aw Eng Hai	1,765,000	1,765,000	—	—
Dr Loh Chang Kaan	33,204,114	33,204,114	—	—

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2021.

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

DIRECTORS' STATEMENT

PERFORMANCE SHARE AWARDS

The Company implemented an employee share award scheme known as the Trittech Group Performance Share Plan ("Share Plan") for the purpose of providing incentives and rewards to eligible employees and directors of the Group. The Share Plan was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 28 July 2010. The Company's equity instruments granted to the employees and directors are subject to approval in advance by the board of directors of the Company.

The Share Plan is administered by the Company's Remuneration Committee comprising Professor Yong Kwet Yew, Dr Loh Chang Kaan and Mr Aw Eng Hai and applies to group employees, group executive directors and group non-executive directors (including independent directors).

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

20,000,000 of the above share awards have vested on 31 March 2020 and the shares for the vested awards were subsequently issued on 16 June 2020. The remaining 20,000,000 of the above share awards have vested on 31 March 2021 and the shares for the vested awards were subsequently allotted on 27 April 2021.

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

Name of participants	Balance at 1.4.2020	Number of share awards			Balance at 31.3.2021
		Share awards granted during the financial year	Share awards cancelled during the financial year	Share awards vested during the financial year	
<i>Employees of the Group</i>					
Dr. Tan Chien Hsiang	7,500,000	–	–	(7,500,000)	–
Dr. Fu Chen	5,000,000	–	–	(5,000,000)	–
Kuan Keng Mun	2,500,000	–	–	(2,500,000)	–
Poh Ye Kong	2,500,000	–	–	(2,500,000)	–
Gong Zhao	2,500,000	–	–	(2,500,000)	–
	<u>20,000,000</u>	<u>–</u>	<u>–</u>	<u>(20,000,000)</u>	<u>–</u>

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

- No awards that entitle the holder to participate by virtue of the awards, in any share issue of any other corporation have been granted; and
- No awards had been granted at a discount.

The Share Plan has expired with effect from 26 July 2020.

EMPLOYEE SHARE OPTION SCHEME

Share Option Scheme (the "Scheme")

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

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

The Scheme has expired with effect from 26 July 2020.

DIRECTORS' STATEMENT

SHARE OPTIONS

During the financial year:

- (i) No options have been granted by the Company to any person to take up unissued shares in the Company; and
- (ii) No shares have been issued by virtue of any exercise of option to take up unissued shares of the Company.

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

AUDIT COMMITTEE

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

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

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

- Reviews the audit plans of the internal and external auditors of the Group and the Company and reviews the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- Reviews the half-yearly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- Reviews the adequacy and effectiveness of the Group's and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Meets with the external auditor, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviews the cost effectiveness and the independence and objectivity of the external auditor;
- Reviews the nature and extent of non-audit services provided by the external auditor;
- Recommends to the board of directors the external auditor to be nominated, approves the compensation of the external auditor, and reviewing the scope and results of the audit;
- Reports actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- Reviews interested person transactions in accordance with the requirements of the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited ("SGX-ST").

DIRECTORS' STATEMENT /

AUDIT COMMITTEE (CONTINUED)

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

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

AUDITOR

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

On behalf of the board of directors,

Dr Wang Xiaoning

Director

Dr Loh Chang Kaan

Director

Singapore

6 July 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Tritech Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Tritech Group Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2021, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) in Singapore ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Accounting for revenue recognition and contract assets for geotechnical projects

The Group recognised revenue over time for its geotechnical projects in Singapore using the input method that reflects the over-time transfer of control to its customers. This is measured by reference to the Group's progress towards completing the performance obligation in the contract, which is based on actual costs incurred to-date to the total budgeted costs for each project. If the unavoidable costs of meeting the obligations under a contract exceeds the economic benefits expected to be received for the contract, a provision for onerous contract is recognised. The uncertainty and subjectivity involved in determining the budgeted cost, progress towards completion and the assessment of any variation orders ("VO") claimable from end customers may have a significant impact on the revenue recognition and contract assets amounts, including the provision for onerous contracts. These uncertainties are partly due to the nature of the operations, which may be impacted by the geotechnical complexity of projects, the precision of cost estimation during the budgeting process and the actual progress of each project during the financial year. In addition, the COVID-19 pandemic which caused disruption and delays to the progression of the projects has heightened the level of estimation uncertainty on the costs to complete which could result in project cost variances, affecting the determination of revenue recognised. As such, we determined this to be a key audit matter.

INDEPENDENT AUDITOR'S REPORT

To the members of Tritech Group Limited

Key Audit Matters (Continued)

As part of our audit, we:

- assessed management's assumptions in determining the estimations to revenue and cost by reviewing the contract terms and conditions of the geotechnical projects and their contractual sums ("projects"), testing project revenues and the actual costs incurred-to-date against underlying supporting documents to determine the satisfaction of performance obligation of the projects and assessing management's judgement in recognising variation orders from customers;
- reviewed the Group's project correspondences with customers and subcontractors, and discussed the progress of the projects with project managers to identify any potential disputes, variation order claims, known technical issues or significant events that could impact the estimated total contract costs. We also analysed changes in the estimation of costs and profits from prior periods and inquired management on the reasons;
- performed re-computation of the revenue to be recognised based on percentage of completion and checked to the mathematical accuracy; and
- reviewed the budgeted costs by assessing the reasonableness of the remaining costs to be incurred to complete the projects. We evaluated management's estimates of the forecasted results of the projects, taking into consideration the effect of variation orders, contingencies and any known technical issues, including management's assessment of the potential impact that the ongoing COVID-19 pandemic has on the Group's operations. We have selected key samples from the ongoing projects and evaluated management's assessment of onerous contracts for these projects.

The Group's disclosures relating to revenue, contract assets and contract liabilities are included in Note 4 to the financial statements.

Impairment of investment in subsidiaries and amounts due from subsidiaries

The carrying amount of the Company's investment in subsidiaries and amounts due from subsidiaries amounted to \$21,553,367 and \$8,040,318 respectively as at 31 March 2021 which represented a total of 62% of the Company's total assets. During the financial year ended 31 March 2021, management performed impairment assessment on the Company's investment in subsidiaries and amounts due from subsidiaries, and the Company recognised an impairment loss of \$6,080,647 for investment in subsidiaries.

The impairment assessment of investment in subsidiaries and amount due from subsidiaries involved significant management judgement and was based on assumptions that incorporate future market and economic conditions. Consequently, we determined the impairment assessment of investment in subsidiaries and amounts due from subsidiaries to be a key audit matter.

On the investment in subsidiaries, we discussed with management on the identification of impairment indicators. Where indicators exist, we evaluated management's impairment assessment, including its estimates of the recoverable amounts. We reviewed the process by which they were drawn up and tested the reasonableness of the underlying value-in-use calculations by:

- Comparing management's previous forecasts with actual results;
- Comparing the key assumptions used, such as growth rates to historical results, economic and industry forecasts, and discount rate to that of peer companies used; and
- Performed sensitivity analysis around the key drivers of the growth rates used in the cash flow forecasts, including revenue growth and expected changes in margins, management's assessment of the potential impact that the ongoing COVID-19 pandemic has on the operations of the subsidiaries, and the likelihood of the extent of change in those assumptions that either individually or collectively would be required for the assets to be impaired.

INDEPENDENT AUDITOR'S REPORT

To the members of Trittech Group Limited

Key Audit Matters (Continued)

Impairment of investment in subsidiaries and amounts due from subsidiaries (Continued)

On the amounts due from subsidiaries, management has assessed if these amounts are recoverable and estimated the amount of loss allowance required when recovery of the full amount is doubtful. The assessment of the expected loss allowance requires significant management judgement as these are determined by making entity-specific assessments of expected impairment loss for long overdue receivables and by applying the general approach as detailed in Note 2.16 to provide for loss allowance.

In relation to management's assessment on the loss allowance on amounts due from subsidiaries, as part of our audit, we:

- Obtained an understanding of the Company's processes and controls for identifying and monitoring of the amount due from subsidiaries;
- Assessed the facts and circumstances surrounding the outstanding receivables, and reviewing for evidence of collection by way of receipts from subsidiaries after the year end;
- Evaluated the reasonableness of management's estimate of the future repayment by the subsidiaries, by taking into consideration the subsidiaries' financial position, nature of business, current economic environment and growth strategies as well as management's assessment of the subsidiaries' business plan; and
- Assessed the reasonableness of the loss rates applied by management, taking into consideration the latest available financial results of the subsidiaries and current economic information in markets where the subsidiaries operate.

Furthermore, we assessed the adequacy of the disclosures relating to investments in subsidiaries, receivables and the related risks such as credit risk and liquidity risk in Notes 12, 16 and 33 to the financial statements.

Measurement of contingent consideration arising from the sale of a subsidiary Presscrete Engineering

As disclosed in Note 20 to the financial statements, management re-assessed the fair value of the contingent consideration relating to the sale of a subsidiary Presscrete Engineering ("PE") as at 31 March 2021 and recorded a fair value loss of \$2.7 million during the year. One key input in determining the fair value of the contingent consideration is profits from certain projects ("Agreed Projects") which are anticipated to be completed in 2022. The estimation of the fair value of the contingent consideration involves significant management judgements due to the uncertainty and subjectivity involved in determining the profitability of the Agreed Projects. The level of estimation uncertainty is further increased due to market and economic conditions brought on by the COVID-19 pandemic. Consequently, we determined the measurement of contingent consideration to be a key audit matter.

In evaluating the reasonableness of management's estimation of the fair value of the contingent consideration, as part of our audit, we:

- Requested confirmation from PE on the status of the Agreed Projects and the related supporting documents and schedules ("Schedules") provided by PE to management;
- Reviewed management's correspondences with PE, pertaining to their enquiries on the projects' status, and costs and margin analysis of the Agreed Projects;
- Reviewed management's assessment of the estimated profitability of the Agreed Projects and inquired with management on their assessment on the reasonableness of the projects' status, costs incurred and remaining costs to complete, taking into consideration management's knowledge and understanding of the remaining requirements of the projects; and
- Performed arithmetic checks of the overall margin of the Agreed Projects in determining the fair value as at 31 March 2021.

The disclosures relating to the contingent consideration are included in Note 20 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the members of Tritech Group Limited

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

To the members of Tritech Group Limited

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Ong Beng Lee, Ken.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

6 July 2021

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2021

		Group	
	Note	2021 \$	2020 \$
Continuing operations			
Revenue	4	22,871,707	10,643,544
Cost of sales		(17,820,735)	(20,453,921)
Gross profit/(loss)		5,050,972	(9,810,377)
Other income	5	5,538,435	990,096
Distribution costs		(292,713)	(431,960)
Administrative costs		(5,081,540)	(4,277,395)
Other operating costs		(6,971,016)	(5,651,661)
Finance costs	6	(869,671)	(1,847,331)
Impairment losses on financial assets	7	(353)	(654,105)
Share of results of associate	13	(2,040,162)	(290,053)
Loss before taxation	7	(4,666,048)	(21,972,786)
Income tax credit	8	27,512	252,800
Loss from continuing operations, net of income tax		(4,638,536)	(21,719,986)
Discontinued operation			
Gain on disposal of subsidiaries	28	–	10,843,520
Loss from discontinued operations, net of income tax	28	–	(943,867)
Loss for the year		(4,638,536)	(11,820,333)
Loss attributable to:			
Owners of the Company			
Loss from continuing operations		(4,597,496)	(21,673,764)
Profit from discontinued operations		–	9,899,653
Loss for the year attributable to owners of the Company		(4,597,496)	(11,774,111)
Non-controlling interests			
Loss from continuing operations		(41,040)	(46,222)
Loss for the year attributable to non-controlling interests		(41,040)	(46,222)
Loss for the year		(4,638,536)	(11,820,333)
Loss per share from continuing operations attributable to owners of the Company (cents)			
Basic	9	(0.48)	(2.32)
Diluted	9	(0.48)	(2.32)

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 2021

	Group	
	2021	2020
	\$	\$
Loss for the year	(4,638,536)	(11,820,333)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising from translation of foreign operations	(256)	(100)
Exchange differences realised on disposal of investment in subsidiaries reclassified to profit or loss	–	(109,699)
Exchange differences from translation of associate	79,084	108,120
Other comprehensive income for the year, net of tax	78,828	(1,679)
Total comprehensive income for the year	(4,559,708)	(11,822,012)
Total comprehensive income attributable to:		
Owners of the Company	(4,518,668)	(11,775,790)
Non-controlling interests	(41,040)	(46,222)
Total comprehensive income for the year	(4,559,708)	(11,822,012)
Total comprehensive income attributable to:		
Owners of the Company from continuing operations, net of tax	(4,518,668)	(21,565,744)
Owners of the Company from discontinued operation, net of tax	–	9,789,954
Total comprehensive income for the year attributable to owners of the Company	(4,518,668)	(11,775,790)

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

BALANCE SHEETS

As at 31 March 2021

		Group		Company	
	Note	2021	2020	2021	2020
		\$	\$	\$	\$
Non-current assets					
Property, plant and equipment	10	3,229,149	3,475,970	348	497
Investment property	11	1,452,009	1,489,218	1,452,009	1,489,218
Investments in subsidiaries	12	–	–	21,553,367	20,379,001
Investment in associate	13	3,385,949	5,347,027	5,528,960	5,528,960
Right-of-use asset	23	914,008	1,599,515	–	–
Intangible assets	15	3,663,083	2,695,954	–	–
Other receivables	16	10,897,612	10,377,821	10,897,612	10,377,821
		23,541,810	24,985,505	39,432,296	37,775,497
Current assets					
Inventories	17	21,952	28,600	–	–
Trade and other receivables	16	5,109,914	5,933,319	8,076,872	14,548,097
Contract assets	4	4,117,971	7,427,079	–	–
Tax recoverable		2,295	5,340	–	–
Prepayments		400,627	451,028	15,477	25,521
Investment securities	18	125,700	125,700	125,700	125,700
Cash and short-term deposits	19	5,037,571	2,881,878	46,742	14,734
		14,816,030	16,852,944	8,264,791	14,714,052
Current liabilities					
Trade and other payables	20	7,614,928	9,528,065	17,089,246	11,912,597
Contract liabilities	4	3,427,531	1,693,246	–	–
Bank borrowings	21	2,159,479	1,981,222	1,580,599	1,518,058
Loans from shareholders	22	–	3,845,431	–	3,727,658
Lease liabilities	23	958,300	854,280	–	–
Provision for taxation		83,620	132,413	89,494	138,287
		14,243,858	18,034,657	18,759,339	17,296,600
Net current assets/(liabilities)		572,172	(1,181,713)	(10,494,548)	(2,582,548)
Non-current liabilities					
Other payable	20	2,700,000	–	2,700,000	–
Bank borrowings	21	2,846,341	268,447	894,547	268,447
Loan from shareholders	22	5,640,600	5,550,600	5,640,600	5,550,600
Lease liabilities	23	457,968	1,265,116	–	–
Deferred tax liabilities	25	266,860	246,127	211,678	170,959
		11,911,769	7,330,290	9,446,825	5,990,006
Net assets		12,202,213	16,473,502	19,490,923	29,202,943
Equity attributable to owners of the Company					
Share capital	26	79,197,764	78,617,764	79,197,764	78,617,764
Reserves	27	(67,109,791)	(62,299,542)	(59,706,841)	(49,414,821)
		12,087,973	16,318,222	19,490,923	29,202,943
Non-controlling interests		114,240	155,280	–	–
Total equity		12,202,213	16,473,502	19,490,923	29,202,943

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 2021

2021 Group	Attributable to owners of the Company									Total equity \$
	Share capital (Note 26) \$	Equity component of convertible loans (Note 24) \$	Gains on disposals to non-controlling interests (Note 27) \$	Employee share award reserve (Note 27) \$	Foreign currency translation reserve (Note 27) \$	Accumulated losses (Note 27) \$	Equity attributable to the owners of the Company \$	Non-controlling interests \$		
Opening balance at 1 April 2020	78,617,764	2,772,300	34,944,540	871,581	82,999	(100,970,962)	16,318,222	155,280	16,473,502	
Loss for the year	-	-	-	-	-	(4,597,496)	(4,597,496)	(41,040)	(4,638,536)	
Other comprehensive income										
Exchange differences arising from translation of foreign operations	-	-	-	-	(256)	-	(256)	-	(256)	
Exchange differences from translation of associate	-	-	-	-	79,084	-	79,084	-	79,084	
Total comprehensive income for the year	-	-	-	-	78,828	(4,597,496)	(4,518,668)	(41,040)	(4,559,708)	
Contributions by and distributions to owners										
Conversion of share awards to share capital	580,000	-	-	(580,000)	-	-	-	-	-	
Grant of equity-settled share awards to employees	-	-	-	288,419 ⁽ⁱ⁾	-	-	288,419	-	288,419	
Total contributions by and distributions to owners	580,000	-	-	(291,581)	-	-	288,419	-	288,419	
Closing balance at 31 March 2021	79,197,764	2,772,300	34,944,540	580,000	161,827	(105,568,458)	12,087,973	114,240	12,202,213	

(1) As at 31 March 2021, 20,000,000 shares have vested in accordance to the vesting condition and the allotment of shares was completed in April 2021.

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 2021

2020 Group	Attributable to owners of the Company							Equity attributable to the owners of the Company \$	Non-controlling interests \$	Total equity \$
	Share capital (Note 26) \$	Equity component of convertible loans (Note 24) \$	Gains on disposals to non-controlling interests (Note 27) \$	Employee share award reserve (Note 27) \$	Foreign currency translation reserve (Note 27) \$	Accumulated losses (Note 27) \$				
Opening balance at 1 April 2019	77,653,368	2,772,300	34,944,540	–	84,678	(88,766,712)	26,688,174	201,502	26,889,676	
Cumulative effect of adopting SFRS(I) 16	–	–	–	–	–	(430,139)	(430,139)	–	(430,139)	
Opening balance at 1 April 2019 (Restated)	77,653,368	2,772,300	34,944,540	–	84,678	(89,196,851)	26,258,035	201,502	26,459,537	
Loss for the year	–	–	–	–	–	(11,774,111)	(11,774,111)	(46,222)	(11,820,333)	
Other comprehensive income	–	–	–	–	(100)	–	(100)	–	(100)	
Exchange differences arising from translation of foreign operations	–	–	–	–	(109,699)	–	(109,699)	–	(109,699)	
Exchange differences realised on disposal of investment in subsidiaries reclassified to profit or loss	–	–	–	–	108,120	–	108,120	–	108,120	
Exchange differences from translation of associate	–	–	–	–	–	–	–	–	–	
Total comprehensive income for the year	–	–	–	–	(1,679)	(11,774,111)	(11,775,790)	(46,222)	(11,822,012)	
Contributions by and distributions to owners										
Issuance of ordinary shares pursuant to new shares placement	1,000,000	–	–	–	–	–	1,000,000	–	1,000,000	
Issuance of shares to the introducer	70,000	–	–	–	–	–	70,000	–	70,000	
Share issue expenses	(105,604)	–	–	–	–	–	(105,604)	–	(105,604)	
Grant of equity-settled share awards to employees	–	–	–	871,581 ⁽²⁾	–	–	871,581	–	871,581	
Total contributions by and distributions to owners	964,396	–	–	871,581	–	–	1,835,977	–	1,835,977	
Closing balance at 31 March 2020	78,617,764	2,772,300	34,944,540	871,581	82,999	(100,970,962)	16,318,222	155,280	16,473,502	

(2) As at 31 March 2020, 20,000 shares have vested in accordance to the vesting condition and the allotment of shares was completed in June 2020.

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 2021

2021 Company	Share capital (Note 26) \$	Equity component of convertible loans (Note 24) \$	Employee share award reserve (Note 27) \$	Accumulated losses (Note 27) \$	Total equity \$
Opening balance at 1 April 2020	78,617,764	2,772,300	871,581	(53,058,702)	29,202,943
Loss, representing total comprehensive income, for the year	–	–	–	(10,000,439)	(10,000,439)
Contributions by and distributions to owners					
Conversion of share awards to share capital	580,000	–	(580,000)	–	–
Grant of equity-settled share awards to employees	–	–	288,419 ⁽¹⁾	–	288,419
Total contributions by and distributions to owners	580,000	–	(291,581)	–	288,419
Closing balance at 31 March 2021	79,197,764	2,772,300	580,000	(63,059,141)	19,490,923

2020 Company	Share capital (Note 26) \$	Equity component of convertible loans (Note 24) \$	Employee share award reserve (Note 27) \$	Accumulated losses (Note 27) \$	Total equity \$
Opening balance at 1 April 2019	77,653,368	2,772,300	–	(2,342,369)	78,083,299
Loss, representing total comprehensive income, for the year	–	–	–	(50,716,333)	(50,716,333)
Contributions by and distributions to owners					
Issuance of ordinary shares pursuant to new shares placement	1,000,000	–	–	–	1,000,000
Issuance of shares to the introducer	70,000	–	–	–	70,000
Share issue expenses	(105,604)	–	–	–	(105,604)
Grant of equity-settled share awards to employees	–	–	871,581 ⁽²⁾	–	871,581
Total contributions by and distributions to owners	964,396	–	871,581	–	1,835,977
Closing balance at 31 March 2020	78,617,764	2,772,300	871,581	(53,058,702)	29,202,943

(1) As at 31 March 2021, 20,000,000 shares have vested in accordance to the vesting condition and the allotment of shares was completed in April 2021.

(2) As at 31 March 2020, 20,000,000 shares have vested in accordance to the vesting condition and the allotment of shares was completed in June 2020.

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Loss before tax from continuing operations		(4,666,048)	(21,972,786)
Profit before tax from discontinued operation		–	9,899,653
Loss before taxation, total		(4,666,048)	(12,073,133)
Adjustments for:			
Amortisation of intangible assets	7	354,345	243,608
Amortisation of land use rights	7	–	18,545
Bad debts written off	7	749	–
Write down of inventories	7	–	7,157
Write-back of inventories written down	7	(2,181)	–
Unrealised foreign exchange loss/(gain)		99,573	(283,405)
Impairment loss on property, plant and equipment	7	–	69,643
Impairment loss on financial assets	7	353	654,105
Depreciation of property, plant and equipment	7	958,668	2,056,784
Depreciation of investment property	7	37,209	15,504
Depreciation of right-of-use asset	7	685,507	685,507
Fair value loss on investment securities	7	–	804,484
Fair value loss on contingent consideration	7	2,700,000	–
Net gain on disposal of plant and equipment		(824)	(25,169)
Gain on disposal of investment in subsidiaries	28	–	(10,843,520)
Interest income		(356,626)	(361,196)
Interest expense – convertible loan	6	–	374,849
Interest expense		869,671	2,045,470
Provision for onerous contracts		–	219,280
Write-off of plant and equipment	7	–	1,870
Write-back of impairment loss on financial assets	5	(26,908)	–
Inventories written off	7	–	3,568
Land concession from landlord	23	(140,958)	–
Grant of equity-settled share awards to employees	7	288,419	871,581
Share of results of associate		2,040,162	290,053
Operating cash flows before working capital changes		2,841,111	(15,224,415)
(Increase)/decrease in:			
Inventories		8,829	(88,460)
Trade and other receivables		840,149	(14,631,834)
Contract assets		3,309,108	23,271,938
Prepayments		50,401	78,153
(Decrease)/increase in:			
Trade and other payables		(1,994,815)	9,685,807
Contract liabilities		1,734,285	(447,875)
Cash generated from operations		6,789,068	2,643,314
Income taxes paid		–	(3,694)
Income taxes refunded		2,432	2,817
Interest received		6,485	7,173
Net cash generated from operating activities		6,797,985	2,649,610

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2021

	Note	2021 \$	2020 \$
Cash flows from investing activities			
Loss of control in subsidiaries (net of cash disposed of)	28	–	3,632,257
Purchase of plant and equipment	10	(570,272)	(326,344)
Additions to intangible assets	15	(1,321,474)	(1,638,973)
Proceeds from disposal of plant and equipment		11,741	36,729
Net cash (used in)/generated from investing activities		(1,880,005)	1,703,669
Cash flows from financing activities			
Increase in short-term deposits pledged		(714,201)	(219,356)
Proceeds from bank borrowings	21	4,000,000	6,252,800
Loans from shareholders		–	2,007,000
Repayments of bank borrowings	21	(1,111,944)	(11,316,898)
Repayments of lease liabilities	23	(714,662)	(1,054,681)
Repayments of convertible loan interests		–	(240,000)
Repayments of shareholders' loans	22	(4,025,431)	(3,407,000)
Net proceeds from issuance of placement shares	26	–	964,396
Interest paid		(778,154)	(1,898,520)
Net cash used in financing activities		(3,344,392)	(8,912,259)
Net change in cash and cash equivalents		1,573,588	(4,558,980)
Cash and cash equivalents at beginning of financial year		465,446	4,861,201
Effect of exchange rate changes on cash and cash equivalents		(191)	163,225
Cash and cash equivalents at end of financial year (Note 19)		2,038,843	465,446

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company is located at 31 Changi South Avenue 2, Singapore 486478.

The principal activity of the Company is that of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

Fundamental accounting concept

The Group incurred a net loss of \$4,638,536 (2020: \$11,820,333) for the financial year ended 31 March 2021. The Company incurred a net loss of \$10,000,439 (2020: \$50,716,333) for the financial year ended 31 March 2021 and the Company is in a net current liabilities position of \$10,494,548 (2020: \$2,582,548) as at 31 March 2021. The performance of the Group was affected by the challenging conditions in the construction and engineering industry in Singapore which have been severely and adversely impacted by the COVID-19 pandemic. The challenging conditions could negatively impact the profitability of projects and may cast significant doubt about the Group's ability to continue as a going concern. The performance of the Company was affected by the provision for impairment loss in investments in subsidiaries (Note 12).

Notwithstanding the above, the directors are of the view that it is appropriate to prepare these financial statements on a going concern basis after considering the following:

- (a) The Group and the Company have sufficient bank facilities to fund their daily operations.
- (b) The Group will be able to complete its current ongoing projects as scheduled and achieve the projected positive margin.
- (c) The Group and the Company have also considered various COVID-19 support measures, which include but not limited to Jobs Support Scheme and its related enhancements.

The directors are of the opinion that the above considerations would allow the Group and the Company to generate sufficient cash flows to meet its obligations as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2020. Except for the adoption of amendments to SFRS(I)16 Leases: COVID-19 Related Rent Concessions, the adoption of these standards did not have any material effect on the financial performance or position of the Group.

Amendment to SFRS(I) 16 Leases: COVID-19- Related Rent Concessions

The Group has early adopted the amendment to SFRS(I) 16 which introduced an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification.

The Group has applied this practical expedient to all property leases. As a result of applying the practical expedient, the Group has recognised \$140,958 (Note 5) in profit or loss for the reporting period to reflect changes in lease payments that arise from these rent concession.

2.3 Standards issued but not yet effective

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

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to SFRS(I) 9 Financial Instruments, SFRS(I) 1-39 Financial Instruments: Recognition and Measurement, SFRS(I) 7 Financial Instruments: Disclosures, SFRS(I) 16 Leases: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to SFRS(I) 3 Business Combinations: Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associate and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The Group expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency

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

(a) Transactions and balances

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

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

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

(b) Consolidated financial statements

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

2.5 Subsidiaries

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Basis of consolidation and business combinations

(a) Basis of consolidation

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

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

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

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

(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.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

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.

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 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Transactions with non-controlling interests

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

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

2.8 Property, plant and equipment

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

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

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

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

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

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

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

2.9 Investment properties

Investment properties are properties that are either owned by the Group or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at costs less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investment properties (Continued)

Depreciation is computed on a straight-line basis over the remaining lease term.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.10 Land use rights

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

2.11 Intangible assets

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

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

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

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

(a) Club memberships

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Intangible assets (Continued)

(b) *Research and development costs*

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

Following initial recognition of the deferred development costs 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 costs have a finite useful life and are amortised over the period of expected sales from the related project of 10 years on a straight line basis.

(c) *Intangible assets acquired separately*

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

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

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

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Inventories

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

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

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

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

2.14 Associate

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial instruments (Continued)

(a) Financial assets (Continued)

Subsequent measurement (Continued)

Investments in equity instruments

On initial recognition of an investment in equity instrument, the Group presents subsequent changes in fair value changes in profit or loss. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

De-recognition

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

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.16 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages under the general approach. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Impairment of financial assets (Continued)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.17 Convertible loans

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

On issuance of the convertible loans, the fair value of the liability component is determined using a market rate for an equivalent non-convertible loan. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption in accordance with the accounting policy set out in Note 2.15.

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

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

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

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

2.18 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Provisions

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

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

2.20 Financial guarantee

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

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 measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.15 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.21 Borrowing costs

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

2.22 Employee benefits

(a) Defined contribution plans

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

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the projected unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Employee benefits (Continued)

(c) Employee share award plans

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

The employee share award reserve is transferred to retained earnings upon expiry of the share award, and is only upon new shares issued.

2.23 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term lease and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term of 49 months.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.12.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities (Continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (eg. Changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying assets.

The Group has applied the amendment to SFRS (I) 16 Leases: COVID-19 – Related Rent Concessions. The Group applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assess whether there is a lease modification.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term leases recognition exemption to its short-term leases (ie those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.25(e). Contingent rents are recognised as revenue in the period in which they are earned.

2.24 Non-current assets held for sale and discontinued operations

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Construction revenue

The Group is involved in construction projects whereby they are restricted contractually from directing the product for another use as they are being constructed and has an enforceable right to payment for performance completed to date. Revenue is recognised over time using the input method, based on the construction costs incurred to date as a proportion of the estimated total construction costs to be incurred.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

For contract modifications that add distinct goods or services but not at their standalone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and is recognised as a cumulative adjustment to revenue at the date of modification.

(b) Sale of goods

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated volume discounts and adjusted for expected returns. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group recognises the expected volume discounts payable to customer where consideration have been received from customers and refunds due to expected returns from customers as refund liabilities. Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the good less expected costs to recover the goods, and adjusts them against cost of sales correspondingly.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Revenue (Continued)

(c) Rendering of services

Revenue from installation and monitoring of equipment is recognised over time, based on the actual labour hours spent relative to the total expected labour hours.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

2.26 Government grants

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

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.27 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 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 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 subsidiaries and associate 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, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associate, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 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.

2.28 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.

2.29 Share capital and share issuance expenses

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

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(a) Taxes

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

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

3.2 Key sources of estimation uncertainty

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

(a) Geotechnical and construction contracts

For construction contracts where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the construction contracts to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the construction contracts. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the construction contracts.

Significant estimates are required to determine the total construction and other related costs and the recoverable variation works that affect the progress of construction contracts. In making these estimates, management has relied on past experience and knowledge of the project engineers.

Contract revenue and contract costs recognised for the financial year ended 31 March 2021 are disclosed in the consolidated income statement. Contract assets and liabilities are disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(b) Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information, including the potential impact of COVID-19 pandemic. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 33 (c).

The carrying amount of trade receivables and contract assets is disclosed in Notes 16 and 4 to the financial statements.

(c) Impairment of investment in subsidiaries and amounts due from subsidiaries

The Company has applied the applicable accounting guidance in determining whether any impairment on the carrying value of investment in subsidiaries and amounts due from subsidiaries as at year-end is required. When indicators of impairment exist, significant judgement is required to be exercised by the Company to determine the recoverable amount of the cost of investments. The Company has to evaluate, among other factors, the growth rates, industry forecasts and discount rate for the assessment of impairment on the investment in subsidiaries.

In relation to the assessment of the loss allowance for the amounts due from subsidiaries, certain assumptions are made, including the future repayment by the subsidiaries, the business and economic outlook, growth rate as well as the potential impact COVID-19 pandemic implications on the operations of the subsidiaries.

The carrying amount of investment in subsidiaries and amount due from subsidiaries is disclosed in Notes 12 and 16 to the financial statements.

(d) Fair value of contingent consideration

The measurement of fair value of the contingent consideration requires significant judgements and estimates as the fair value is determined based on estimated net profits of the Agreed Projects as disclosed in Note 20 to the financial statements. The determination of the estimated net profits of the Agreed Projects involve estimation uncertainty as judgements and assumptions are required in estimating the budgeted costs and progress towards completion which may have a significant impact on the estimated net profits. Changes in assumptions about these factors could affect the fair value of the contingent consideration.

The fair value measurement of the contingent consideration is disclosed in Note 34(e) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

4. REVENUE

(a) Disaggregation of revenue

	Construction		Sale of goods		Services rendered		Discontinued operations		Total revenue	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Primary geographical markets										
Singapore	–	3,804,535	71,997	143,599	22,799,710	10,499,945	–	(3,804,535)	22,871,707	10,643,544
People's Republic of China	–	959,948	–	1,215,614	–	184,713	–	(2,360,275)	–	–
	–	4,764,483	71,997	1,359,213	22,799,710	10,684,658	–	(6,164,810)	22,871,707	10,643,544
Major product or service lines										
Construction contracts	–	3,804,535	–	–	–	–	–	(3,804,535)	–	–
Engineering business	–	–	–	–	21,457,040	8,094,112	–	–	21,457,040	8,094,112
Water-related and environmental business	–	959,948	71,997	1,359,213	1,342,670	2,590,008	–	(2,360,275)	1,414,667	2,548,894
Software licensing	–	–	–	–	–	538	–	–	–	538
	–	4,764,483	71,997	1,359,213	22,799,710	10,684,658	–	(6,164,810)	22,871,707	10,643,544
Timing of transfer of goods or services										
At a point in time	–	–	71,997	1,359,213	–	–	–	(1,215,614)	71,997	143,599
Over time	–	4,764,483	–	–	22,799,710	10,684,658	–	(4,949,196)	22,799,710	10,499,945
	–	4,764,483	71,997	1,359,213	22,799,710	10,684,658	–	(6,164,810)	22,871,707	10,643,544

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

4. REVENUE (CONTINUED)

(b) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	2021 \$	Group 2020 \$	1 April 2019 \$
Receivables from contracts with customers (Note 16)	2,847,702	3,637,285	9,644,643
Contract assets	4,117,971	7,427,079	32,232,128
Contract liabilities	3,427,531	1,693,246	1,655,837

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for revenue from construction contracts. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for revenue from construction contracts.

Contract liabilities are recognised as revenue as the Group performs under the contract.

(i) Significant changes in contract assets are explained as follows:

	2021 \$	Group 2020 \$
Contract asset reclassified to receivables	6,152,159	12,855,318
Provision for onerous contracts	–	219,280

(ii) Significant changes in contract liabilities are explained as follows:

	2021 \$	Group 2020 \$
Revenue recognised that was included in the contract liability balance at the beginning of the year	1,584,420	159,025

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

4. REVENUE (CONTINUED)

(c) Transaction price allocated to remaining performance obligations

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 March 2021 is \$89,669,602 (2020: \$85,319,167). This amount has not included the following:

- Performance obligations for which the Group has applied the practical expedient not to disclose information about its remaining performance obligations if the performance obligation is part of a contract that has an original expected duration for one year or less.
- Variable consideration that is constrained and therefore is not included in the transaction price.

The Group expects to recognise all its unsatisfied (or partially satisfied) performance obligations as at 31 March 2021 within 7 years (2020: 8 years) of the reporting date.

5. OTHER INCOME

	Group	
	2021	2020
	\$	\$
Gain on disposal of plant and equipment	824	27,611
Rent concession from landlord (a)	140,958	–
Government grants (b)	4,710,227	55,659
Interest income	356,626	361,101
Foreign exchange gain, net	–	301,599
Supply of manpower	89,683	46,431
Insurance claim	58,844	12,121
Sundry income	58,328	20,177
Rental income	96,037	165,397
Write-back of impairment loss on financial assets	26,908	–
	5,538,435	990,096

- (a) Rent concession received from lessor to which the Group applied the practical expedient under Amendments to SFRS(I) 16 Leases: COVID-19 Related Rent Concessions.
- (b) Government grants mainly relates to Jobs Support Scheme funded by the Singapore Government to help businesses deal with impact from COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

6. FINANCE COSTS

	Group	
	2021	2020
	\$	\$
Interests on:		
– Bank overdraft	66,780	95,919
– Convertible loans (Note 24)	–	374,849
– Lease liabilities	143,561	213,492
– Term loans	151,778	445,226
– Fixed advance facility loan	–	9,853
– Loans from shareholders	490,284	689,048
– Mortgage loan	17,268	18,944
	869,671	1,847,331

7. LOSS BEFORE TAXATION

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

	Group	
	2021	2020
	\$	\$
Continuing operations		
Audit fees paid to		
– Auditor of the Company	147,000	153,000
– Other auditors	4,885	5,790
Non-audit fees paid to		
– Auditor of the Company	34,200	40,100
– Other auditors	1,654	1,455
Bad debts written off	749	–
Cost of inventories	39,250	75,948
Consultancy fee	785,204	475,240
Amortisation of intangible assets	354,345	243,518
Depreciation of property, plant and equipment	958,668	1,446,467
Depreciation of investment property	37,209	15,504
Depreciation of right-of-use asset	685,507	685,507
Employee benefits expense	16,551,096	18,570,811
Fair value loss on investment securities	–	804,484
Fair value loss on contingent consideration	2,700,000	–
Foreign exchange loss, net	103,243	56,714
Impairment loss on plant and equipment	–	69,643
Impairment loss on financial assets	353	654,105
Inventories written off	–	3,568
Provision for onerous contracts	–	219,280
Loss on disposal of plant and equipment	–	2,442
Operating lease expenses	48,796	140,821
Professional fees	629,834	378,711
Subcontractor costs	1,987,572	3,522,048
Upkeep of motor vehicles	200,115	350,436
Write-back of inventories previously written down	(2,181)	–
Write down of inventories	–	7,157
Write-off of plant and equipment	–	1,870

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

7. LOSS BEFORE TAXATION (CONTINUED)

	Group	
	2021	2020
	\$	\$
Discontinued operation		
Amortisation of intangible assets	–	90
Amortisation of land use rights	–	18,545
Audit fees paid to		
– Other auditors	–	126,111
Non-audit fees paid to Auditor of the Company	–	5,049
Cost of inventories	–	2,706,037
Depreciation of property, plant and equipment	–	610,317
Employee benefits expense	–	1,375,787
Foreign exchange loss, net	–	2,092
Subcontractor costs	–	514,337
	15,161,404	15,370,993
	1,101,273	952,450
	288,419	871,581
	16,551,096	17,195,024
Discontinued operation		
– salaries, bonuses and other benefits	–	1,345,540
– contributions to defined contribution plans	–	30,247
	–	1,375,787

Employee benefits expense comprise the following:

Employee benefits expense:

Continuing operations

- salaries, bonuses and other benefits
- contributions to defined contribution plans
- employee share awards scheme

Discontinued operation

- salaries, bonuses and other benefits
- contributions to defined contribution plans

8. INCOME TAX CREDIT

Major components of income tax credit

The major components of income tax credit for the financial years ended 31 March 2021 and 2020 are:

	Group	
	2021	2020
	\$	\$
Consolidated income statement:		
<u>Attributable to continuing operations</u>		
Current income tax:		
– Current income taxation	10,219	12,460
– Over provision in respect of previous years	(58,464)	(62,892)
	(48,245)	(50,432)
Deferred income tax:		
– Origination and reversal of temporary differences	16,724	(202,368)
– Under provision in respect of previous year	4,009	–
	20,733	(202,368)
Income tax credit recognised in profit or loss	(27,512)	(252,800)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

8. INCOME TAX CREDIT (CONTINUED)

Major components of income tax credit (Continued)

Domestic income tax is calculated at 17% (2020: 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 in Malaysia are subject to corporate income tax of 24% (2020: 24%).

Relationship between income tax credit and accounting loss

The reconciliation between income tax credit and the product of accounting loss multiplied by the applicable corporate tax rates for the financial years ended 31 March 2021 and 2020 are as follows:

	Group	
	2021	2020
	\$	\$
Loss before taxation from continuing operations	(4,666,048)	(21,972,786)
Profit before taxation from discontinued operation	–	9,899,653
Accounting loss before tax	(4,666,048)	(12,073,133)
Tax at Singapore statutory tax rate of 17% (2020: 17%)	(793,228)	(2,052,433)
Adjustments:		
Effect of different tax rates of overseas operations	(31)	(128,595)
Non-deductible expenses	829,649	1,051,893
Income not subject to taxation	(633,931)	(1,860,359)
Tax incentives	(15,114)	–
Effect of partial tax exemption	(10,521)	(12,749)
Overprovision in respect of prior financial years	(54,455)	(62,892)
Effect of change in unrecognised temporary differences	149,021	–
Deferred tax assets not recognised	520,125	2,763,026
Realisation of deferred tax asset not recognised previously	(365,855)	–
Share of results of associate	346,828	49,309
Income tax credit recognised in profit or loss	(27,512)	(252,800)

As at 31 March 2021, the Group has unutilised tax losses and capital allowances of \$28,852,042 (2020: \$25,792,483) and \$5,021,397 (2020: \$7,173,485) respectively 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

9. LOSS PER SHARE

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

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

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

	Group	
	2021 \$	2020 \$
Continuing operations		
Loss for the year, attributable to owners of the Company for basic and diluted loss per share	(4,597,496)	(21,673,764)
Weighted average number of ordinary shares on issue applicable to basic and diluted loss per share	960,703,347	933,980,225
Discontinued operation		
Profit for the year, attributable to owners of the Company for basic and diluted loss per share	—	9,899,653
Weighted average number of ordinary shares on issue applicable to basic and diluted loss per share	960,703,347	933,980,225

Diluted loss per share for the financial years ended 31 March 2021 and 31 March 2020 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive for the years presented.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

10. PROPERTY, PLANT AND EQUIPMENT

Group 2021	Leasehold properties \$	Motor vehicles \$	Furniture, fittings and fixtures \$	Machinery, instrumentation and tools \$	Office equipment \$	Renovation \$	Capital work in progress \$	Total \$
Cost								
At 1 April 2019	27,545,222	2,080,667	379,561	22,494,443	2,531,492	1,198,072	2,735,468	58,964,925
Additions	–	12,921	54,690	86,930	47,594	30,515	21,694	254,344
Disposals	–	(94,002)	–	(61,812)	–	–	–	(155,814)
Disposal of subsidiaries	(25,239,034)	(611,650)	(43,429)	(4,284,466)	(555,841)	(631,283)	(2,691,284)	(34,056,987)
Transfer to investment property (Note 11)	(1,600,000)	–	–	–	–	–	–	(1,600,000)
Write off	–	–	(3,800)	(26,001)	(17,147)	–	–	(46,948)
Currency translation differences	(706,188)	(19,921)	–	(131,279)	(23,237)	(17,679)	(65,878)	(964,182)
At 31 March 2020 and 1 April 2020	–	1,368,015	387,022	18,077,815	1,982,861	579,625	–	22,395,338
Additions	–	202,208	36,223	334,803	125,148	24,382	–	722,764
Disposals	–	(143,709)	–	–	–	–	–	(143,709)
At 31 March 2021	–	1,426,514	423,245	18,412,618	2,108,009	604,007	–	22,974,393
Accumulated depreciation and impairment loss								
At 1 April 2019	2,491,645	1,950,315	283,698	16,681,542	2,077,056	136,435	–	23,620,691
Depreciation	166,736	102,233	22,241	1,310,823	139,572	53,494	–	1,795,099
Disposals	–	(84,518)	–	(59,736)	–	–	–	(144,254)
Disposal of subsidiaries	(2,495,716)	(620,667)	(1,403)	(2,505,708)	(399,772)	(4,298)	–	(6,027,564)
Transfer to investment property (Note 11)	(95,278)	–	–	–	–	–	–	(95,278)
Impairment loss	–	–	–	(69,643)	–	–	–	(69,643)
Write off	–	–	(3,673)	(24,480)	(16,925)	–	–	(45,078)
Currency translation differences	(67,387)	(17,087)	–	(14,006)	(16,013)	(112)	–	(114,605)
At 31 March 2020 and 1 April 2020	–	1,330,276	300,863	15,318,792	1,783,918	185,519	–	18,919,368
Depreciation	–	32,550	19,623	764,908	86,099	55,488	–	958,668
Disposals	–	(132,792)	–	–	–	–	–	(132,792)
At 31 March 2021	–	1,230,034	320,486	16,083,700	1,870,017	241,007	–	19,745,244
Net carrying amount								
At 31 March 2021	–	196,480	102,759	2,328,918	237,992	363,000	–	3,229,149
At 31 March 2020	–	37,739	86,159	2,759,023	198,943	394,106	–	3,475,970

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Office equipment \$	Leasehold property \$	Total \$
Cost			
At 1 April 2019	3,761	1,600,000	1,603,761
Transfer to investment property (Note 11)	–	(1,600,000)	(1,600,000)
At 31 March 2020, 1 April 2020 and 31 March 2021	3,761	–	3,761
Accumulated depreciation			
At 1 April 2019	3,024	73,573	76,597
Charge for the year	240	21,705	21,945
Transfer to investment property (Note 11)	–	(95,278)	(95,278)
At 31 March 2020 and 1 April 2020	3,264	–	3,264
Charge for the year	149	–	149
At 31 March 2021	3,413	–	3,413
Net carrying amount			
At 31 March 2021	348	–	348
At 31 March 2020	497	–	497

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

	Group	
	2021 \$	2020 \$
Motor vehicles	171,109	25,451
Office equipment	20,259	–
Machinery, instrumentation and tools	–	377,390
	191,368	402,841

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

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

	Group	
	2021 \$	2020 \$
Additions of plant and equipment	722,764	494,344
Acquired under finance lease arrangements	(152,492)	(168,000)
Cash payments to acquire plant and equipment	570,272	326,344

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

11. INVESTMENT PROPERTY

	Group and Company	
	2021	2020
	\$	\$
Cost		
At 1 April	1,600,000	–
Transfer from property, plant and equipment (Note 10)	–	1,600,000
At 31 March	1,600,000	1,600,000
Accumulated depreciation		
At 1 April	110,782	–
Transfer from property, plant and equipment (Note 10)	–	95,278
Charge for the year	37,209	15,504
At 31 March	147,991	110,782
Net carrying amount		
At 31 March	1,452,009	1,489,218
The following amount is recognised in the income statement:		
Rental income	96,037	42,056
Direct operating expenses arising from investment property	13,931	12,293

On 1 November 2019, the Group and the Company commenced to hold the factory building to earn rental or for capital appreciation, or both. For the financial year ended 31 March 2020, the Group and the Company transferred its leasehold factory building in Singapore that was held as owner-occupied property to investment property.

Details of the investment property is disclosed 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

The investment property is leased to a third party under operating lease, further summary details of which are included in Note 29 to the financial statements.

As at the end of the financial year, the Group's and the Company's investment property has a remaining lease term of 39 years and is pledged as security for certain bank borrowings (Note 21).

The fair value of investment property as at 31 March 2021 is \$1,700,000 (2020: \$1,680,000) based on independent external valuation using sales comparison method.

The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

12. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	2020
	\$	\$
Unquoted equity shares, at cost	36,521,866	70,297,815
Additions	–	1,500,002
Capitalisation of quasi-equity loan to subsidiary	6,966,594	–
Capitalisation of equity-settled share awards	288,419	871,581
Disposal of subsidiaries	–	(36,147,532)
Impairment losses	(22,223,512)	(16,142,865)
Net carrying amount	21,553,367	20,379,001

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

	Company	
	2021	2020
	\$	\$
At 1 April	16,142,865	–
Charged to profit or loss	6,080,647	16,142,865
At 31 March	22,223,512	16,142,865

During the financial year ended 31 March 2021, management performed impairment test for the investments in subsidiaries as certain subsidiaries had been loss making. An impairment loss of \$6,080,647 (2020: \$16,142,865) was recognised for the year ended 31 March 2021 to write down the carrying amount to its recoverable amount.

The recoverable amount has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by management covering a five-year period. The cash flow projections is based on the long term growth rate of Nil% (2020: Nil%) and pre-tax discount rate of 9.25% (2020: 10.24%).

Key assumptions used in value-in-use calculations

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

Growth rates – Management's estimates of the forecasted growth rates, with reference to related industry. The forecasted growth rate adopted by the Company, do not exceed the long-term average growth rate for the industries relevant to the subsidiaries.

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to each subsidiary and consider the time value of money. The computation of discount rate is based on the specific circumstances of the subsidiaries 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 Company. The cost of debt is based on the interest-bearing borrowings the Company 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Sensitivity to changes in assumptions

Management has estimated the reasonably possible changes to the discount rates based on their knowledge of the market. Should there be an increase of 1% to the discount rates, holding all other variables constant, the recoverable amount would decrease by \$15,000.

Details of subsidiaries are as follows:

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest	
			2021 %	2020 %
Held by the Company:				
TGL Engineering Group Pte Ltd ⁽¹⁾	Singapore	Investment holding company	100	100
Geosoft Pte Ltd ⁽²⁾	Singapore	Development and sale of engineering finite element analysis programs in the geotechnical field	60	60
Tritech Water Technologies Pte Ltd ⁽¹⁾	Singapore	Manufacture of bottled and alkaline drinking water, product development and innovation centre	100	100
Tritech Syseng (S) Pte Ltd ⁽¹⁾	Singapore	Design and development of automation and engineering system, manufacturer, and provision of remote water monitoring services	100	100
Held through TGL Engineering Group Pte Ltd:				
Tritech Engineering & Testing (Singapore) Pte Ltd ⁽¹⁾	Singapore	Geological, geotechnical and geophysical investigation, land surveying, instrumentation and analytical study and other related services	100	100
Tritech Consultants Pte Ltd ⁽¹⁾	Singapore	Architectural, engineering and professional consultancy services	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation/ operation	Principal activities	Proportion of ownership interest	
			2021 %	2020 %
Tritech Geotechnic Pte Ltd ⁽⁴⁾	Singapore	Soil investigation, treatment and stabilisation (including grouting and grunting)	–	100
Tritech Instruments Pte Ltd ⁽⁵⁾	Singapore	Supply, installation and monitoring of all kinds of engineering instruments	–	100
Terra Tritech Engineering (M) Sdn Bhd ⁽³⁾	Malaysia	Providing civil engineering services	100	100
<i>Held through Tritech Water Technologies Pte Ltd:</i>				
Tritech Vavie (Singapore) Pte Ltd ⁽⁶⁾	Singapore	Manufacture of soap, detergents, washing and other cleaning preparations	100	–

(1) Audited by Ernst & Young LLP, Singapore

(2) Audited by Teo Boon Tieng & Co, Chartered Accountants, Singapore

(3) Audited by SE Lai CK, Chartered Accountants, Malaysia

(4) Struck off from the Register of Companies on 8 February 2021

(5) Struck off from the Register of Companies on 23 September 2020

(6) Not required to be audited yet as this company was incorporated on 2 October 2020

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

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

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI %	Loss allocated to NCI during the reporting period \$	Accumulated NCI at the end of reporting period \$
31 March 2021:				
Geosoft Pte Ltd	Singapore	40	(41,040)	114,240
31 March 2020:				
Geosoft Pte Ltd	Singapore	40	(46,222)	155,280

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Summarised financial information about a subsidiary with material NCI

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

Summarised balance sheet

	Geosoft Pte. Ltd.	
	2021	2020
	\$	\$
Current		
Assets	134,290	126,215
Liabilities	(45,329)	(34,652)
Net current assets	88,961	91,563
Non-current		
Assets	236,823	356,808
Liabilities	(40,184)	(60,171)
Net non-current assets	196,639	296,637
Net assets	285,600	388,200

Summarised statement of comprehensive income

	Geosoft Pte Ltd	
	2021	2020
	\$	\$
Revenue	76,800	77,338
Loss before tax	(122,587)	(135,542)
Tax credit	19,987	19,987
Loss after tax and total comprehensive income	(102,600)	(115,555)
Other summarised information		
Net cash flows used in operations	(2,990)	(13,959)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

13. INVESTMENT IN ASSOCIATE

The Group's investment in associate is summarised as below:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
At 1 April	5,347,027	624,567	5,528,960	–
Disposal of associate	–	(624,567)	–	–
Recognition of cost of investment	–	5,528,960	–	5,528,960
Share of associate's results	(2,040,162)	(290,053)	–	–
Foreign currency differences	79,084	108,120	–	–
At 31 March	3,385,949	5,347,027	5,528,960	5,528,960

Name of associate	Country of incorporation/ operation	Principal activities	Proportion of ownership interest	
			2021 %	2020 %
<i>Held by the Company:</i>				
Tritech Environmental Group Co., Ltd ⁽¹⁾	PRC	Production and sale of membranes for use in waste treatment systems and water treatment systems	40	40

(1) Audited by other auditor in Qingdao.

The summarised financial information in respect of Tritech Environmental Group Co. Ltd and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Tritech Environmental Group Co. Ltd	
	2021	2020
	\$	\$
Current assets	56,449,023	47,074,025
Non-current assets	65,268,802	39,904,308
Current liabilities	(59,609,239)	(71,592,979)
Non-current liabilities	(53,643,714)	(2,017,787)
Net assets	8,464,872	13,367,567
Proportion of the Group's ownership	40%	40%
Group's share of net assets	3,385,949	5,347,027
Carrying amount of the investment	3,385,949	5,347,027

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

13. INVESTMENT IN ASSOCIATE (CONTINUED)

Summarised consolidated statement of comprehensive income

	2021 \$	2020 \$
Loss before tax	(4,910,983)	(32,466)
Loss after tax	(5,100,405)	(725,133)
Group's share of loss for the year	(2,040,162)	(290,053)

14. LAND USE RIGHTS

	Group 2020 \$
Cost	
At 1 April	2,818,035
Disposal of subsidiary	(2,741,268)
Currency translation differences	(76,767)
At 31 March	—
Accumulated amortisation	
At 1 April	405,892
Amortisation	18,545
Disposal of subsidiary	(413,110)
Currency translation differences	(11,327)
At 31 March	—
Net carrying amount	
At 31 March	—

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

15. INTANGIBLE ASSETS

Group	Goodwill \$	Transferable club memberships \$	Intellectual property right \$	Customer contracts \$	Development expenditures \$	Software \$	Trademark \$	Total \$
Cost								
At 1 April 2019	698,130	31,500	198,700	433,791	566,328	823,000	2,732	2,754,181
Additions	–	–	–	–	1,638,973	–	–	1,638,973
Disposal of subsidiaries	(243,901)	–	–	(421,974)	–	–	(2,656)	(668,531)
Currency translation differences	–	–	–	(11,817)	–	–	(76)	(11,893)
At 31 March 2020 and 1 April 2020	454,229	31,500	198,700	–	2,205,301	823,000	–	3,712,730
Additions	–	–	–	–	1,321,474	–	–	1,321,474
At 31 March 2021	454,229	31,500	198,700	–	3,526,775	823,000	–	5,034,204
Accumulated amortisation and impairment loss								
At 1 April 2019	243,901	–	94,851	433,791	325,694	352,713	1,208	1,452,158
Amortisation	–	–	9,935	–	116,012	117,571	90	243,608
Disposal of subsidiaries	(243,901)	–	–	(421,974)	–	–	(1,262)	(667,137)
Currency translation differences	–	–	–	(11,817)	–	–	(36)	(11,853)
At 31 March 2020 and 1 April 2020	–	–	104,786	–	441,706	470,284	–	1,016,776
Amortisation	–	–	9,935	–	226,839	117,571	–	354,345
At 31 March 2021	–	–	114,721	–	668,545	587,855	–	1,371,121
Net carrying amount								
At 31 March 2021	454,229	31,500	83,979	–	2,858,230	235,145	–	3,663,083
At 31 March 2020	454,229	31,500	93,914	–	1,763,595	352,716	–	2,695,954

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

15. INTANGIBLE ASSETS (CONTINUED)

Impairment testing of goodwill

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

CGU	Goodwill		Long-term growth rate		Assumption Pre-tax discount rate per annum	
	2021	2020	2021	2020	2021	2020
	\$	\$	%	%	%	%
Geosoft ⁽¹⁾	454,229	454,229	0.00	0.00	9.25	8.33

(1) Operates within the Other business segment

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

Key assumptions used in the value in use calculations

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

Growth rates – Management's estimates of the forecasted growth rates, with reference to published industry. The forecasted growth rate adopted by the Group, do not exceed the long-term average growth rate for the industries relevant to the CGUs.

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

Sensitivity to changes in assumptions

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Non-current assets				
Other receivables				
Other receivables due from associate	5,188,954	5,141,654	5,188,954	5,141,654
Loans due from associate	5,929,486	5,456,995	5,929,486	5,456,995
	11,118,440	10,598,649	11,118,440	10,598,649
Less: Expected credit losses	(220,828)	(220,828)	(220,828)	(220,828)
Amounts due from associate	10,897,612	10,377,821	10,897,612	10,377,821
Current assets				
Trade receivables				
Trade receivables from third parties	3,159,258	4,025,340	–	–
Amounts due from subsidiaries	–	–	2,698,405	4,052,001
	3,159,258	4,025,340	2,698,405	4,052,001
Less: Expected credit losses	(311,556)	(388,055)	–	–
	2,847,702	3,637,285	2,698,405	4,052,001
Other receivables				
GST refundable	28,434	36,537	–	3,000
Other receivables from third parties	172,007	473,747	35,304	338,668
Amounts due from subsidiaries	–	–	7,321,912	12,133,427
Amount due from associate	586,223	586,223	–	–
Less: Expected credit losses	(20,685)	(20,685)	(1,979,999)	(1,979,999)
	565,538	565,538	5,341,913	10,153,428
Advances to employees	10,831	45,458	–	–
Deposits	1,028,016	579,505	1,250	1,000
Interest receivable	969	–	–	–
Grant receivable	456,417	595,249	–	–
	5,109,914	5,933,319	8,076,872	14,548,097
Total trade and other receivables	16,007,526	16,311,140	18,974,484	24,925,918

Trade receivables

Trade receivables are non-interest bearing and generally on 30 to 90 (2020: 30 to 90) days' credit terms.

Amounts due from subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

Amounts due from associate

Non-current assets

The Group had recognised amounts due from associate of \$5,957,035 which were repayable on demand. As at 31 July 2019, these amounts were renegotiated to be repayable in interest free instalments from the operating cashflow of these entities over future periods. As per SFRS (I) 9, the modification of these terms has triggered the de-recognition of the existing instrument and recognition of a new instrument. This instrument has been measured at fair value upon initial recognition according to the following inputs:

Market interest rate	6.61%
Previous carrying value	\$5,957,035
New instrument carrying value at fair value upon initial recognition on 31 July 2019	\$4,916,277
Fair value loss (recorded as part of gain on disposal of subsidiary)	\$1,040,758

As at 31 March 2021, out of the amount of \$5,188,954 (2020: \$5,141,654) due from associate, \$2,256,100 (2020: \$2,208,800) are denominated in Chinese Yuan.

Current assets

The amounts due from associate mainly comprise expenses recharged and advances which are unsecured, non-interest bearing and repayable on demand.

Loans due from associate

The loans due from associate are denominated in Chinese Yuan and bear an effective interest rate of 6.5% (2020: 6.5%) per annum. The loans are repayable in 5 August 2022 and 23 March 2023.

Grant receivable

Grant receivable comprises the Jobs Support Scheme funded by the Singapore Government.

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

	Group	
	2021	2020
	\$	\$
United States dollar	754,623	747,686
Chinese Yuan	8,185,586	7,665,795

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

Expected credit losses

The movement in allowance for expected credit losses of trade receivables, amount due from associate and contract assets computed based on lifetime ECL are as follows:

	Group			Group		
	Trade receivables 2021 \$	Amount due from associate 2021 \$	Contract assets 2021 \$	Trade receivables 2020 \$	Amount due from associate 2020 \$	Contract assets 2020 \$
Movement in allowance accounts:						
At 1 April	388,055	241,513	366,831	1,879,667	–	147,551
Charge for the year	353	–	–	412,592	241,513	219,280
Utilised during the year	(49,630)	–	(228,618)	(71,025)	–	–
Write-back of allowance	(26,908)	–	–	–	–	–
Disposal of subsidiaries	–	–	–	(1,833,069)	–	–
Exchange differences	(314)	–	–	(110)	–	–
At 31 March	311,556	241,513	138,213	388,055	241,513	366,831

17. INVENTORIES

	Group	
	2021 \$	2020 \$
Balance sheet:		
Raw materials	17,324	19,302
Work-in-progress	1,892	–
Finished goods	2,736	9,298
	21,952	28,600
Income statement:		
Inventories recognised as an expense in cost of sales	39,250	2,781,985
Inclusive of the following charge/(credit)		
– Inventories write-down	–	7,157
– Write-back of inventories previously written down	(2,181)	–
– Inventories written off	–	3,568

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

17. INVENTORIES (CONTINUED)

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

	Group	
	2021	2020
	\$	\$
At 1 April	15,879	2,718,868
Written down during the year	–	7,157
Write-back of inventories previously written down ⁽¹⁾	(2,181)	–
Utilisation during the year	–	(546)
Disposal of subsidiaries	–	(2,709,600)
At 31 March	13,698	15,879

(1) Relates to inventories previously provided for as slow-moving stocks were sold during the year.

18. INVESTMENT SECURITIES

	Group and Company	
	2021	2020
	\$	\$
Current:		
<i>At fair value through profit or loss</i>		
– Equity securities (quoted)	125,700	125,700

19. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Cash and bank balances	3,396,070	1,954,708	46,742	14,734
Short-term deposits	1,641,501	927,170	–	–
Cash and short-term deposits	5,037,571	2,881,878	46,742	14,734

Cash at banks earns interest at floating rates based on daily bank deposits. Short-term deposits mature on 2 to 7 months (2020: 6 to 7 months) from the end of the reporting period. The effective interest rates on the short-term deposits range from 0.25% to 1.75% (2020: 0.25% to 3.0%) per annum. The short-term deposits of the Group amounting to \$1,635,464 (2020: \$921,263) are pledged to banks for facilities granted to the Group.

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

	Group	
	2021	2020
	\$	\$
United States dollar	25,455	41,771
Chinese Renminbi	1,820	3,348

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

19. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

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

	Group	
	2021	2020
	\$	\$
Cash and short-term deposits	5,037,571	2,881,878
Bank overdrafts (Note 21)	(1,363,264)	(1,495,169)
Short-term deposits pledged	(1,635,464)	(921,263)
Cash and cash equivalents in the consolidated cash flow statement	2,038,843	465,446

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Current liabilities				
Trade payables				
Trade payables to third parties	2,216,184	3,779,535	–	–
Amount due to associate	281,051	–	–	–
	2,497,235	3,779,535	–	–
Other payables				
Goods and Services Tax ("GST") payable	402,552	493,539	1,770	–
Accrued operating expenses	1,575,294	1,651,088	560,900	593,246
Accrued unutilised leave	286,739	192,834	–	–
Deposits received	27,000	27,000	27,000	27,000
Other payables	1,156,859	1,050,510	32,780	195,399
Interest payable	737,130	645,613	737,130	645,613
Deferred grant income	–	595,249	–	–
Amounts due to subsidiaries	–	–	14,861,798	9,583,471
Amount due to associate	932,119	1,092,697	867,868	867,868
	7,614,928	9,528,065	17,089,246	11,912,597
Non-current liabilities				
Other payables				
Contingent consideration	2,700,000	–	2,700,000	–
Total trade and other payables	10,314,928	9,528,065	19,789,246	11,912,597

Trade payables

Trade payables are non-interest bearing and are normally settled between 30 to 90 (2020: 30 to 90) days' terms.

Amounts due to subsidiaries

Amounts due to the subsidiaries mainly comprise rechargeable expenses which are unsecured, non-interest bearing and repayable on demand in cash and/or set off against balance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

20. TRADE AND OTHER PAYABLES (CONTINUED)

Amounts due to associate

The trade and non-trade amounts due to the associate mainly comprises purchases and rechargeable expenses which is unsecured, non-interest bearing and repayable on demand in cash.

Contingent consideration

On 12 May 2019, a Sale and Purchase Agreement (the "Agreement") between Trittech Group Limited (the "Group"), TGL Engineering ("TGL Engineering", and Lim Wen Heng Construction (the "Purchaser") was entered into for the sale of entire shareholding of Presscrete Engineering Pte Ltd ("PE"). One of the components of the sales consideration ("contingent consideration") is the share of 50% of net profits or net losses after tax, to be generated from the 12 PE's Agreed Projects ("Agreed Projects") as stipulated in the Agreement from 1 January 2019 to the final completion of all the 12 Agreed Projects (the "Agreed Period").

The contingent consideration meets the definition of a financial asset/liability and is accounted for at fair value through profit or loss at the end of each financial year end. The fair value of the contingent consideration is determined by the profits from the Agreed Projects which are expected to be completed in 2022.

On the date of disposal on 12 May 2019, the fair value of the contingent consideration was assessed to be approximately \$4.0 million and payment of \$4.0 million was received by the Group for the financial year ended 31 March 2020. As at 31 March 2020, the Group has re-assessed and determined the fair valuation of the contingent consideration to be \$4.0 million.

As at 31 March 2021, the Group was informed by PE that the expected profitability of the Agreed Projects were affected by the escalation in costs due to COVID-19 implications and unexpected complexity encountered on certain projects for the financial year ended 31 March 2021. This resulted in significant increase in the estimated total budgeted costs for the Agreed Projects, which caused the reduction in expected net profits.

As at 31 March 2021, the Group re-assessed the fair value of the contingent consideration by examining the project supporting documents and schedules prepared by PE, evaluating the latest project information and explanations for the changes in expected net profits by PE. The Group has also leveraged on its past experience and knowledge of the Agreed Projects given that PE was previously its subsidiary, and is of the view that the fair valuation of contingent consideration of approximately \$1.3 million would represent the best estimation and accordingly, it has recorded a fair valuation loss of \$2.7 million as at 31 March 2021.

Fair value of the contingent consideration is as follow:

	Group and Company 2021 \$
Net financial liability ¹	2,700,000

The fair value of the contingent consideration was presented as net financial liability of \$2.7 million in the consolidated balance sheet as the Group has a legally enforceable right and the intention to settle the amount on a net basis based on the finalised net profits/losses of the Agreed Projects upon completion in accordance to the terms in the Agreement.

¹ The net financial liability of \$2.7 million was only recognised for the financial year ended 31 March 2021 as a result of the Group's re-assessment of the fair value of the contingent consideration as at year-end. Consequently, there is no fair value movement of the contingent consideration to be disclosed in the financial statements in accordance to SFRS (I) 13 Fair Value Measurement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

20. TRADE AND OTHER PAYABLES (CONTINUED)

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

	Group	
	2021 \$	2020 \$
United States dollar	640,475	677,135
New Zealand Dollar	47,578	43,323
Euro	246,359	436,300

21. BANK BORROWING

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Current liabilities				
Secured				
Mortgage loan	24,380	22,889	24,380	22,889
Bank overdrafts	1,363,264	1,495,169	1,363,264	1,495,169
	1,387,644	1,518,058	1,387,644	1,518,058
Unsecured				
Term loan I	–	444,444	–	–
Term loan II	–	18,720	–	–
Term loan III	192,955	–	192,955	–
Term loan IV	578,880	–	–	–
	771,835	463,164	192,955	–
	2,159,479	1,981,222	1,580,599	1,518,058
Non-current liabilities				
Secured				
Mortgage loan	243,775	268,447	243,775	268,447
Unsecured				
Term loan III	650,772	–	650,772	–
Term loan IV	1,951,794	–	–	–
	2,602,566	–	650,772	–
	2,846,341	268,447	894,547	268,447
Total bank borrowings	5,005,820	2,249,669	2,475,146	1,786,505

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

21. BANK BORROWING (CONTINUED)

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

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Term loan I	–	11.00	–	–
Term loan II	–	8.31	–	–
Term loan III	3.00	–	3.00	–
Term loan IV	3.00	–	–	–
Mortgage loan	6.25	6.25	6.25	6.25
Bank overdrafts	4.90	6.40	4.90	6.40

Secured

Mortgage loan from a financial institution which is denominated in SGD 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 11).

Bank overdrafts are secured by the Company's leasehold property (Note 11). Bank overdrafts are denominated in SGD.

Unsecured

Term loan I from a financial institution which is denominated in SGD is repayable over 12 months commencing from 1 September 2019. Term loan I is secured by a corporate guarantee of the Company. Term loan I was fully repaid during the financial year.

Term loan II from a financial institution which is denominated in SGD is repayable over 12 months commencing from 22 May 2019. Term loan II is secured by a corporate guarantee of the Company. Term loan II was fully repaid during the financial year.

Term loan III from a financial institution which is denominated in SGD is repayable over 60 months commencing from 15 June 2020.

Term loan IV from a financial institution which is denominated in SGD is repayable over 60 months commencing from 15 June 2020. Term loan IV is secured by a corporate guarantee of the Company.

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

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Facilities granted	5,142,556	2,254,500	2,611,882	1,791,336
Facilities utilised	5,005,820	2,249,669	2,475,146	1,786,505

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

21. BANK BORROWING (CONTINUED)

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

	1.4.2020 \$	Cash flows \$	Reclassification \$	31.3.2021 \$
Bank borrowings				
– current	486,053	(486,053)	796,215	796,215
– non-current	268,447	3,374,109	(796,215)	2,846,341
Total	754,500	2,888,056	–	3,642,556

	1.4.2019 \$	Cash flows \$	Foreign exchange \$	Reclassification \$	Disposal of subsidiaries \$	31.3.2020 \$
Bank borrowings						
– current	20,051,452	(5,064,098) ⁽¹⁾	(448,750)	22,890	(14,075,441) ⁽¹⁾	486,053
– non-current	291,337	–	–	(22,890)	–	268,447
Total	20,342,789	(5,064,098)	(448,750)	–	(14,075,441)	754,500

(1) Includes the repayment of bank loans by Presscrete Engineering amounting to \$163,559 for the financial year ended 31 March 2020, prior to the disposal.

22. LOANS FROM SHAREHOLDERS

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Current				
Loans from a shareholder	–	2,320,000	–	2,320,000
Amounts due to a shareholder	–	1,525,431	–	1,407,658
	–	3,845,431	–	3,727,658
Non-current				
Loans from a shareholder	5,640,600	4,550,600	5,640,600	4,550,600
Amounts due to a shareholder	–	1,000,000	–	1,000,000
	5,640,600	5,550,600	5,640,600	5,550,600
	5,640,600	9,396,031	5,640,600	9,278,258

Loans from shareholders

Non-current

The loans from a shareholder are unsecured, interest-bearing at an effective interest rate of 5.32% to 10% (2020: 10%) per annum and with a maturity period of 15 – 21 months (2020: 19 – 21 months). Loans from a shareholder of \$4,820,600 (2020: \$4,550,600) have been extended for 2 years with maturity date on 31 October 2023 and 11 December 2023 (2020: 31 October 2021 and 11 December 2021) respectively and \$820,000 has been extended to 12 months from the date of authorisation of the financial statements (2020: Nil).

As at 31 March 2021, the Group had loan from a shareholder of \$2,820,600 (2020: \$2,550,600) denominated in New Zealand Dollar.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

22. LOANS FROM SHAREHOLDERS (CONTINUED)

Amounts due to a shareholder

The amounts due to a shareholder comprise advances from the shareholder for working capital purposes. The non-trade amounts are unsecured and non-interest bearing.

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

		1.4.2020 \$	Cash flows \$	Foreign exchange movement \$	31.3.2021 \$
Loans from a shareholder		6,870,600	(1,500,000)	270,000	5,640,600
Amounts due to a shareholder		2,525,431	(2,525,431)	–	–
Total		9,396,031	(4,025,431)	270,000	5,640,600

	1.4.2019 \$	Cash flows \$	Foreign exchange movement \$	Assignment of debt \$	31.3.2020 \$
Loans from shareholders	8,087,500	(1,000,000)	(216,900)	–	6,870,600
Amounts due to a shareholder	1,417,773	(400,000)	–	1,507,658	2,525,431
Total	9,505,273	(1,400,000)	(216,900)	1,507,658	9,396,031

23. LEASES

As a lessee

The Group has lease contracts for office building, machinery, instrumentation and tools, and motor vehicles. Leases of machinery and motor vehicles generally have lease terms between 36 to 84 months, while office building have lease term of 49 months. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use asset and the movements during the period:

	Group	
	2021 \$	2020 \$
At 1 April	1,599,515	2,285,022
Depreciation expense	(685,507)	(685,507)
At 31 March	914,008	1,599,515

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

23. LEASES (CONTINUED)

As a lessee (Continued)

The following are the amounts recognised in profit or loss:

	Group	
	2021	2020
	\$	\$
Depreciation of right-of-use asset	685,507	685,507
Depreciation of finance leased assets	26,021	74,274
Interest expense on lease liabilities	143,561	213,492
Rental expenses – short term lease	31,968	114,761
– low value assets	16,828	26,060
Total amount recognised in profit or loss	903,885	1,114,094

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

	Non-cash changes					
	1.4.2020	Addition	Reclassification	Rent concession	Cash flows	31.3.2021
	\$	\$	\$	\$	\$	\$
Lease liabilities						
– current	854,280	152,492	807,148	(140,958)	(714,662)	958,300
– non-current	1,265,116	–	(807,148)	–	–	457,968
Total	2,119,396	152,492	–	(140,958)	(714,662)	1,416,268

	Non-cash changes					
	1.4.2019	Adoption of SFRS(I) 16	Reclassification	Disposal of subsidiaries	Cash flows	31.3.2020
	\$	\$	\$	\$	\$	\$
Lease liabilities						
– current	239,805	667,468	852,761	148,927	(1,054,681) ⁽¹⁾	854,280
– non-current	70,184	2,047,693	(852,761)	–	–	1,265,116
Total	309,989	2,715,161	–	148,927	(1,054,681)	2,119,396

(1) Includes the repayment of leased assets by Presscrete Engineering amounting to \$148,927 for the financial year ended 31 March 2020, prior to the disposal.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. CONVERTIBLE LOANS

Convertible loan I

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

- (a) the Lenders have agreed to grant interest-bearing convertible loans of up to \$10,000,000 in aggregate ("Minimum Loan") to the Company; and
- (b) at the Company's request and subject to Lenders agreeing, additional interest bearing convertible loans of up to \$10,000,000 in aggregate ("Additional Loan"),

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

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

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

- (i) \$0.21; or
- (ii) 10% discount to the weighted average share price for trades done on the SGX-ST over the last seven Trading Days prior to such Interest Payment Event;

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. CONVERTIBLE LOANS (CONTINUED)

Convertible loan II

On 27 October 2017, the Company had entered into convertible loan agreement ("CLA") with a private company (the "Lender"), pursuant to which the Lender has agreed to grant an interest-bearing convertible loan of \$4,000,000 principal amount to the Company. The Company had drawn down \$4,000,000 of the convertible loans at the same day of entering into the agreement. The convertible loan is convertible into 50,000,000 ordinary shares, at a conversion price of \$0.08 per share subject to adjustments in accordance with the provisions of the convertible loan agreement.

On 30 September 2019, the Company had repaid the Convertible Loan II in full and had entered into a Deed of Release and Discharge in connection with the convertible loan with the Lender and accordingly, the Repayment constitutes good and valid discharge of the Company's obligations to the Lender under the CLA, upon which all rights accruing to the Lender in respect of such repayment shall be fully and finally extinguished. All rights and obligations of the Company and the Lender under the CLA, including the right of conversion of the Loan Shares into new ordinary shares in the share capital of the Company have been terminated and will cease to be of effect from 30 September 2019.

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

	Equity component \$	Liability component \$	Deferred tax liabilities \$	Total \$
Convertible loan I				
At 1 April 2019, 1 April 2020 and 31 March 2021	2,108,300	–	–	2,108,300
Convertible loan II				
At 1 April 2019	664,000	3,900,000	114,578	4,678,578
Add/(less):				
Interest expense	–	374,849	–	374,849
Interest payments	–	(240,000)	–	(240,000)
Settlement of loan	–	(4,034,849)	(114,578)	(4,149,427)
At 31 March 2020, 1 April 2020 and 31 March 2021	<u>2,772,300</u>	<u>–</u>	<u>–</u>	<u>2,772,300</u>

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

	1.4.2019 \$	Cash flow \$	Interest expense \$	Settlement \$	31.3.2020 \$
Convertible loans					
– current	<u>3,900,000</u>	<u>(240,000)</u>	<u>374,849</u>	<u>(4,034,849)</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

25. DEFERRED TAX

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

	Consolidated balance sheet		Consolidated income statement	
	2021	2020	2021	2020
	\$	\$	\$	\$
Gross deferred tax assets				
Other deductible temporary differences	81,430	87,551	(6,121)	–
	81,430	87,551		
Gross deferred tax liabilities				
Unremitted foreign interest income	(134,540)	(95,576)	(38,964)	–
Differences in depreciation for tax purposes	(213,750)	(238,102)	24,352	87,790
Liability component of convertible loans	–	–	–	114,578
	(348,290)	(333,678)		
	(266,860)	(246,127)		
Deferred tax (expense)/credit (Note 8)			(20,733)	202,368

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	
	2021	2020
	\$	\$
Net deferred tax liabilities	(266,860)	(246,127)

	Company	
	2021	2020
	\$	\$
Deferred tax liabilities		
Differences in depreciation of plant and equipment for tax purposes	(77,138)	(75,383)
Unremitted foreign interest income	(134,540)	(95,576)
	(211,678)	(170,959)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

26. SHARE CAPITAL

	Group and Company			
	2021	2021	2020	2020
	No. of shares	\$	No. of shares	\$
Issued and fully paid ordinary shares				
At 1 April	944,867,731	78,617,764	907,971,182	77,653,368
Issuance of ordinary shares upon new shares placement	–	–	34,482,756	1,000,000
Issuance of shares to the Introducer	–	–	2,413,793	70,000
Transfer from employee share award reserve upon conversion of employee share awards	20,000,000	580,000	–	–
Share issue expenses	–	–	–	(105,604)
At 31 March	<u>964,867,731</u>	<u>79,197,764</u>	<u>944,867,731</u>	<u>78,617,764</u>

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

On 18 July 2019, the Company issued and allotted 34,482,756 placement shares ("Placement Shares") at an issue price of \$0.029 per placement share amounting to an aggregate of \$1,000,000 for cash to provide funds for the expansion of the Group's water and environment business. The newly issued shares rank pari passu in all respects with the previously issued shares.

On 18 July 2019, the Company issued and allotted 2,413,793 shares to an independent third party, Introducer, at an issue price of \$0.029 per share, amounting to an aggregate of \$70,000, for his services in introducing the Placement Shares' Placees to the Company. The fair value of the share-based transaction of \$70,000 is deducted against share capital as share issuance expense.

On 16 June 2020, the Company has allotted and issued 20,000,000 ordinary shares at \$0.029 each to eligible employees pursuant to the vesting of the share award granted to them.

27. RESERVES

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Gains on disposal to non-controlling interests	34,944,540	34,944,540	–	–
Employee share award reserve	580,000	871,581	580,000	871,581
Foreign currency translation reserve	161,827	82,999	–	–
Equity component of convertible loans (Note 24)	2,772,300	2,772,300	2,772,300	2,772,300
Accumulated losses	<u>(105,568,458)</u>	<u>(100,970,962)</u>	<u>(63,059,141)</u>	<u>(53,058,702)</u>
	<u>(67,109,791)</u>	<u>(62,299,542)</u>	<u>(59,706,841)</u>	<u>(49,414,821)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. RESERVES (CONTINUED)

(a) Gains on disposal to non-controlling interests

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

	Group	
	2021	2020
	\$	\$
At 1 April and 31 March	34,944,540	34,944,540

(b) Employee share award reserve

The Company implemented an employee share award scheme known as the Trittech Group Performance Share Plan ("Share Plan") for the purpose of providing incentives and rewards to eligible employees and directors of the Group. The Share Plan was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 28 July 2010.

On 28 March 2019, the Group has announced that 5 employees (collectively the "Eligible Employees" and each an "Eligible Employee") of the Group were granted an aggregate of 40,000,000 shares award (the "Award") under the Share Plan. In determining the fair value of the share awards as at grant date, the Group has considered the share price as at the grant date, the expected volatility, dividend yield of the Group, the risk-free interest rate, length of the vesting period and adopted a risk-neutral assumption whereby the Group assumed the cost of holding the stock offset the expected return, in estimating the future share price. As for the non-market condition (i.e. the forfeiture rate) of the Award, the Group does not expect the forfeiture rate to be material, given that these 5 employees are long serving employee of the Group and would highly likely be in employment of the Group on the date the Award is vested.

Vesting period and conditions of the 40,000,000 share award:

- (a) 20,000,000 of the share awards granted to each individual Eligible Employee shall vest as at 31 March 2020, provided always that said Eligible Employee remains in the employment of the Group as at 31 March 2020.
- (b) The remaining 20,000,000 of the share awards granted on 28 March 2019 to each individual Eligible Employee shall vest as at 31 March 2021, provided always that said Eligible Employee remains in the employment of the Group as at 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. RESERVES (CONTINUED)

(b) Employee share award reserve (Continued)

The following are the movement of the Award:

Name of participants	Number of shares granted	Fair value of each share as at Grant date	Number of share awards		
			Balance at 1.4.2020	Vested on 31.3.2021	Balance at 31.3.2021
<i>Employees of the Group</i>					
Dr. Tan Chien Hsiang	15,000,000	S\$0.029	7,500,000	(7,500,000)	–
Dr. Fu Chen	10,000,000	S\$0.029	5,000,000	(5,000,000)	–
Kuan Keng Mun	5,000,000	S\$0.029	2,500,000	(2,500,000)	–
Poh Ye Kong	5,000,000	S\$0.029	2,500,000	(2,500,000)	–
Gong Zhao	5,000,000	S\$0.029	2,500,000	(2,500,000)	–
			<u>20,000,000</u>	<u>(20,000,000)</u>	<u>–</u>

Name of participants	Number of shares granted	Fair value of each share as at Grant date	Number of share awards		
			Balance at 1.4.2019	Vested on 31.3.2020	Balance at 31.3.2020
<i>Employees of the Group</i>					
Dr. Tan Chien Hsiang	15,000,000	S\$0.029	15,000,000	(7,500,000)	7,500,000
Dr. Fu Chen	10,000,000	S\$0.029	10,000,000	(5,000,000)	5,000,000
Kuan Keng Mun	5,000,000	S\$0.029	5,000,000	(2,500,000)	2,500,000
Poh Ye Kong	5,000,000	S\$0.029	5,000,000	(2,500,000)	2,500,000
Gong Zhao	5,000,000	S\$0.029	5,000,000	(2,500,000)	2,500,000
			<u>40,000,000</u>	<u>(20,000,000)</u>	<u>20,000,000</u>

Employee share award reserve represents the equity-settled performance share awards as mentioned above. The reserve is made up of the cumulative value of services received from the employees recorded at the grant date of the performance share awards.

	Group and Company	
	2021 \$	2020 \$
At 1 April	871,581	–
Grant of equity-settled share award to employees	288,419	871,581
Conversion of share award	(580,000)	–
At 31 March	<u>580,000</u>	<u>871,581</u>

(c) Foreign currency translation reserve

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

28. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

For the financial year ended 31 March 2020, the Group has recognised a gain on disposal of \$10,843,520 (\$2,480,021 and \$8,363,499) for the disposal and partial disposal of its subsidiaries, Presscrete Engineering Pte Ltd and Trittech Environmental Group Co. Ltd respectively and recognised a loss of \$943,867 from discontinued operations, net of income tax, up to the date where control is lost.

Presscrete Engineering Pte Ltd

On 12 May 2019, a Sale and Purchase Agreement (the "Agreement") between Trittech Group Limited (the "Group"), TGL Engineering ("TGL Engineering") and Lim Wen Heng Construction (the "Purchaser") was entered in relation to the sale of shares in the capital of Presscrete Engineering Pte Ltd ("Presscrete"). Subject to the terms and conditions of the Agreement, the Purchaser shall purchase 6,000,000 ordinary shares representing 100% of the issued and paid-up share capital of PE for a consideration based on 3 components:

- Item A: Adjusted net tangible asset or liability value of Presscrete as at 31 December 2018;
- Item B: Intangible assets of Presscrete, mutually agreed at \$50,000; and
- Item C: 50% of net profits or net losses, each after tax, to be generated from the Agreed Projects in the Agreement within the period from 1 January 2019 to the final completion of all the 12 Agreed Projects (the "Agreed Period")

As at 31 March 2019, the assets and liabilities of Presscrete have been presented in the balance sheet as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale", and its results are presented separately on profit or loss as "Loss from discontinued operations, net of income tax". The disposal of Presscrete was completed on 21 May 2019.

Income statement disclosures

The results of Presscrete for the period from 1 April 2019 to 21 May 2019 are as follows:

	1.4.2019 to 21.5.2019 \$
Revenue	3,804,535
Cost of sales	(2,761,137)
Gross profit	1,043,398
Other income	54,459
Administrative costs	(537,150)
Finance costs	(65,602)
Profit before taxation from discontinued operation	495,105
Income tax expense	–
Profit from discontinued operation, net of income tax	<u>495,105</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

28. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

Presscrete Engineering Pte Ltd (Continued)

Cash flow statement disclosures

The cash flows attributable to Presscrete are as follows:

	1.4.2019 to 21.5.2019 \$
Operating	(650,979)
Investing	(72,000)
Financing	(154,086)
Net cash	<u>(877,065)</u>

Details of the disposal are as follows:

The carrying amount of assets and liabilities as at the date of disposal:

	\$
Assets:	
Property, plant and equipment	5,055,306
Intangible assets	45,000
Inventories	370,622
Trade and other receivables	8,117,239
Contract assets	2,7317,647
Prepayments	347,779
Cash and bank balances	557,137
Total assets	<u>17,230,730</u>
Liabilities:	
Trade and other payables	10,314,354
Finance lease payables	813,055
Contract liabilities	365,421
Bank borrowings	2,082,432
Total liabilities	<u>13,575,262</u>
Net assets disposed of	3,655,468
Cash consideration received	2,135,489
Less: Cash and cash equivalents in subsidiary disposed of	<u>(557,137)</u>
Net cash inflow on disposal of subsidiary	<u>1,578,352</u>
Gain on disposal:	
Cash consideration received	2,135,489
Contingent consideration received ⁽¹⁾⁽²⁾	4,000,000
Net assets derecognised (as above)	<u>(3,655,468)</u>
Gain on disposal	<u>2,480,021</u>

(1) The contingent consideration relates to the 50% profit share arrangement as per the Agreement. This amount is subject to the completion of the Agreed Projects within the Agreed Period. The directors have assessed and determined the contingent consideration received on 30 September 2019 is appropriate and reasonable

(2) \$4,000,000 cash consideration were used and repaid directly by Presscrete Engineering to the Lender of convertible loan on 30 September 2019 (Note 24), according to the Agreement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

28. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

Tritech Environmental Group Co., Ltd

On 26 July 2019, the Company announced the disposal of 60% of the issued share capital of Tritech Environmental Group Co., Ltd ("TEG") and its shareholdings in its four direct wholly-owned China subsidiaries namely Tritech (Qingdao) Membrane Technologies Co. Ltd, Anhui Clean Environmental Biotechnology Co Ltd, Tritech Vavie Health Care Technologies Co Ltd and Beijing Wisetec Technologies Co Ltd ("Disposal") to Qingdao Ocean Group Finance Holdings Co Ltd and Rongtai Construction Group Co Ltd for a total consideration of CNY42,227,289.

The transfer was completed on 31 July 2019, TEG and its subsidiaries had ceased to be subsidiaries of the Company and is considered associate of the Company.

The results of TEG for the period from 1 April 2019 to 31 July 2019 are as follows:

	1.4.2019 to 31.7.2019 \$
Revenue	2,360,275
Cost of sales	(2,050,047)
Gross profit	310,228
Other income	175,899
Distribution costs	(80,930)
Administrative costs	(1,298,335)
Other costs	(38,448)
Finance costs	(507,386)
Loss before taxation from discontinued operation	(1,438,972)
Income tax expense	–
Loss from discontinued operation, net of income tax	(1,438,972)
Other comprehensive income:	
Exchange differences on translating foreign operation	(109,699)
Total comprehensive income for the financial year	(1,548,671)

Cash flow statement disclosures

The cash flows attributable to TEG are as follows:

	1.4.2019 to 31.7.2019 \$
Operating	(65,464)
Investing	(21,857)
Financing	(2,008,000)
Net cash	(2,095,321)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

28. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

Tritech Environmental Group Co., Ltd (Continued)

Details of the disposal are as follows:

The carrying amount of assets and liabilities as at the date of disposal:

	\$
Assets:	
Property, plant and equipment	28,029,423
Intangible assets	1,394
Land use right	2,328,158
Investment in associate	624,567
Inventories	242,625
Trade and other receivables	13,946,993
Contract assets	428,617
Prepayments	760,722
Cash and bank balances	681,595
Total assets	<u>47,044,094</u>
Liabilities:	
Trade and other payables	26,554,511
Provision for taxation	279,402
Deferred tax	1,443,339
Bank borrowings	14,239,000
Total liabilities	<u>42,516,252</u>
Net assets disposed of	4,527,842
Reserves:	
Foreign currency translation reserve	109,699
Cash consideration received	2,735,500
Less: Cash and cash equivalents in subsidiary disposed of	(681,595)
Net cash inflow on disposal of subsidiary	<u>2,053,905</u>
Gain on disposal:	
Cash consideration received	2,735,500
Cash consideration receivables ⁽¹⁾	303,361
Cash consideration re-injected into TEG as loans ⁽²⁾	5,254,579
Capitalisation of residual investment in TEG	5,528,960
Net assets disposed of	(4,527,842)
Fair value loss on interest-free discounting for amount due from associate	(1,040,758)
Foreign currency translation reserve transferred from equity on disposal of subsidiary	109,699
Gain on disposal	<u>8,363,499</u>

(1) Outstanding payment from Rongtai Construction Group Co. Ltd of \$303,361 has been fully settled in May 2020.

(2) Cash consideration of \$5,254,579 from the disposal of TEG were re-injected into TEG as loans

Earnings per share disclosure

	2020 \$
Earnings per share from discontinued operation attributable to owners of the Company (cents per share)	
Basic	<u>1.06</u>
Diluted	<u>1.06</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

29. COMMITMENTS

Operating lease commitments – as lessor

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

	Group and Company	
	2021	2020
	\$	\$
Not later than one year	108,000	100,932
Later than one year but not later than five years	63,000	159,809
	171,000	260,741

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

30. RELATED PARTY TRANSACTIONS

(a) Sales and purchase of services

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

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
With shareholders				
Repayment of loan to shareholders	1,500,000	1,000,000	1,500,000	1,000,000
Repayment to shareholder	2,525,431	400,000	2,407,658	400,000
Consultancy fees charged by a shareholder	335,964	–	335,964	–
With directors				
Consultancy fees charged by a director of the Company	407,240	437,240	–	–
With associate				
Interest income charged to an associate	349,172	122,743	349,172	122,743

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

30. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Compensation of key management personnel

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Directors' fees	190,000	190,000	190,000	190,000
Short-term benefits	1,638,538	1,624,839	649,500	852,726
Contributions to the defined contribution plans	99,354	86,386	16,146	32,056
Employee share award scheme	144,209	435,000	–	–
Total compensation paid to key management personnel	2,072,101	2,336,225	855,646	1,074,782
Comprise amounts paid to:				
– Directors of the Company	886,763	1,116,151	855,646	1,074,782
– Directors of subsidiaries	749,583	794,717	–	–
– Other key management personnel	435,755	425,357	–	–
	2,072,101	2,336,225	855,646	1,074,782

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

31. CONTINGENT LIABILITIES

Corporate guarantees

The Company has issued corporate guarantees for bank borrowings and finance lease payables of certain subsidiaries. These bank borrowings and finance lease payables amounted to \$2,702,586 (2020: \$533,348) at the balance sheet date. The fair value of such financial guarantees is not expected to be material as the bank borrowings and finance lease payables are collateralised against certain assets of the Company and the respective subsidiaries as disclosed in Notes 21 and 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 subsidiaries to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the date of authorised financial statements.

32. SEGMENT INFORMATION

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

- (i) Engineering business, which comprises:
 - a) Civil and Structural Engineering Services including soil investigations, treatment and stabilisation of soil; and

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

- b) Specialist Engineering Services comprise specialist geotechnical services, geotechnical instruments, design, consultancy and project management services and M2M (Machine to Machine) products and services.

32. SEGMENT INFORMATION (CONTINUED)

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

	Engineering business	Water-related and environmental business	Corporate	Other	Adjustments	Per consolidated financial statements
2021	\$	\$	\$	\$	\$	\$
Continuing Revenue:						

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

Sales to external customers	21,457,040	1,414,667	–	–	–	22,871,707
Inter-segment sales*	271,613	(93,015)	840,000	76,800	(1,095,398)	–
Total revenue	21,728,653	1,321,652	840,000	76,800	(1,095,398)	22,871,707
Results:						
Segment results	3,867,299	(1,465,208)	(4,385,610)	(129,322)	–	(2,112,841)
Finance costs	(271,922)	–	(597,719)	(30)	–	(869,671)
Interest income	7,439	14	349,173	–	–	356,626
Share of results of associate	–	–	(2,040,162)	–	–	(2,040,162)
Profit/(Loss) before taxation	3,602,816	(1,465,194)	(6,674,318)	(129,352)	–	(4,666,048)
Income tax credit						27,512
Loss for the year						(4,638,536)

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

* Inter-segment revenues are eliminated on consolidation

32. SEGMENT INFORMATION (CONTINUED)

2021 (Continued)	Engineering business \$	Water-related and environmental business \$	Corporate \$	Other \$	Adjustments \$	Per consolidated financial statements \$
Continuing						
Significant non-cash items:						
Bad debts written off	749	–	–	–	–	749
Depreciation and amortisation expenses	1,726,161	152,225	37,358	119,985	–	2,035,729
Fair value loss on contingent consideration	–	–	2,700,000	–	–	2,700,000
Impairment loss on financial assets	–	353	–	–	–	353
Write-back of inventories written down	–	(2,181)	–	–	–	(2,181)
Write-back of impairment loss on financial assets	(19,590)	(7,318)	–	–	–	(26,908)
Equity-settled share awards expenses	36,053	252,366	–	–	–	288,419
Capital expenditure:						
Plant and equipment	686,947	35,817	–	–	–	722,764

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For the financial year ended 31 March 2021

Intangible assets	1,069,614	251,860	–	–	–	1,321,474
Assets	19,872,438	1,832,232	15,960,391	692,779	–	38,357,840
Liabilities	11,796,281	963,304	13,344,366	51,676	–	26,155,627

2020	Engineering business \$	Water-related and environmental business \$	Corporate \$	Other \$	Adjustments \$	Per consolidated financial statements \$
Continuing Revenue:						
Sales to external customers	8,094,112	2,548,894	–	538	–	10,643,544
Inter-segment sales*	1,183,704	241,951	872,903	76,800	(2,375,358)	–
Total revenue	9,277,816	2,790,845	872,903	77,338	(2,375,358)	10,643,544
Results:						
Segment results	(16,081,779)	(673,786)	(3,308,243)	(132,695)	–	(20,196,503)
Finance costs	(636,917)	–	(1,210,414)	–	–	(1,847,331)
Interest income	7,065	13	354,023	–	–	361,101
Share of results of associate	–	–	(290,053)	–	–	(290,053)
Loss before taxation	(16,711,631)	(673,773)	(4,454,687)	(132,695)	–	(21,972,786)
Income tax credit						252,800
Loss for the year						(21,719,986)

32. SEGMENT INFORMATION (CONTINUED)

2020 (Continued)	Engineering business \$	Water-related and environmental business \$	Corporate \$	Other \$	Adjustments \$	Per consolidated financial statements \$
Discontinued operation Revenue:						
Sales to external customers	3,804,535	2,360,275	–	–	–	6,164,810
Inter-segment sales*	–	8,722	–	–	(8,722)	–
Total revenue	3,804,535	2,368,997	–	–	(8,722)	6,164,810
Results:						
Segment results	3,040,728	7,431,817	–	–	–	10,472,545
Finance costs	(65,602)	(507,386)	–	–	–	(572,988)
Interest income	–	96	–	–	–	96
Profit before taxation	2,975,126	6,924,527	–	–	–	9,899,653
Income tax expense						–
Profit for the year						9,899,653
Continuing Significant non-cash items:						

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Depreciation and amortisation expenses	1,810,383	422,200	37,449	120,964	–	2,390,996
Fair value loss on investment securities	–	–	804,484	–	–	804,484
Provision for onerous contracts	219,280	–	–	–	–	219,280
Impairment loss on plant and machinery	–	69,643	–	–	–	69,643
Impairment loss on financial assets	351,461	81,816	220,828	–	–	654,105
Write down of inventories	–	7,157	–	–	–	7,157
Inventories written off	–	3,568	–	–	–	3,568
Equity-settled share awards expenses	54,078	817,503	–	–	–	871,581
Discontinued operation						
Significant non-cash items:						
Depreciation and amortisation expenses	261,685	367,267	–	–	–	628,952
Gain on disposal of subsidiaries	2,480,021	8,363,499	–	–	–	10,843,520
Capital expenditure:						
Plant and equipment	471,215	23,129	–	–	–	494,344
Intangible assets	1,160,706	478,267	–	–	–	1,638,973
Assets	20,021,276	3,277,521	17,723,186	816,466	–	41,838,449
Liabilities	9,443,355	2,146,674	13,703,135	71,783	–	25,364,947

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

* Inter-segment revenues are eliminated on consolidation

32. 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	
	2021 \$	2020 \$	2021 \$	2020 \$
Singapore	22,871,707	14,448,079	9,258,249	9,260,657
People's Republic of China	–	2,360,275	14,283,561	15,724,848
Discontinued operation	–	(6,164,810)	–	–
	22,871,707	10,643,544	23,541,810	24,985,505

Non-current assets consist of property, plant and equipment, investment property, investment in associate, right-of-use asset, intangible assets and other receivables as presented in the balance sheet of the Group.

Information about major customers

Revenue from two (2020: one) major customers amounted to \$18,517,064 (2020: \$8,902,284) and arose from

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For the financial year ended 31 March 2021

construction and geotechnical services rendered within the engineering business segment.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from the Group's short-term deposits, loan from shareholders, finance lease payables, convertible loan 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 interest rates had been 100 (2020: 100) basis points higher/lower with all other variables held constant, the Group's loss net of tax would have been \$100 lower (2020: \$9,000 higher), arising mainly as a result of higher/lower interest income on cash and short-term deposits and higher/lower interest expenses on floating rate loans and borrowings.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Foreign currency risk

The Group operates in Asia with dominant operations in Singapore 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"), New Zealand dollar ("NZD"), Euro and Chinese Yuan ("CNY"). 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.

Sensitivity analysis for foreign currency risk

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

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	Increase/(decrease) 2021 Loss before tax \$	2020 Loss before tax \$
Group		
NZD against SGD		
– Strengthened 5% (2020: 5%)	143,409	129,696
– Weakened 5% (2020: 5%)	(143,409)	(129,696)
CNY against SGD		
– Strengthened 5% (2020: 5%)	(409,370)	(383,457)
– Weakened 5% (2020: 5%)	409,370	383,457

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. For other financial assets (including investment securities, cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that

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are expected to cause a significant change to the borrower's ability to meet its obligations

- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

- (i) Debt securities at amortised cost, debt securities at fair value through other comprehensive income and loans at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information from external credit rating companies, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group compute expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic.

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For the financial year ended 31 March 2021

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

Category	Definition of category	Basis for recognition of expected credit loss provision	Basis for calculating interest revenue
Grade I	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit losses	Gross carrying amount
Grade II	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected credit losses	Gross carrying amount
Grade III	Interest and/or principal repayments are 60 days past due.	Lifetime expected credit losses	Amortised cost of carrying amount (net of credit allowance)

There are no significant changes to estimation techniques or assumptions made during the reporting period.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

(ii) Financial assets at amortised cost

The loss allowance provision for financial assets at amortised cost reconciles to the opening loss allowance for that provision as follows:

	Group Financial assets at amortised cost 2021 \$
As at 1 April 2020	388,055
Loss allowance measured at:	
Lifetime ECL	
– Trade amounts (Simplified approach)	353
Utilised during the year	(49,630)
Write-back during the year	(26,908)
Exchange differences	(314)

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For the financial year ended 31 March 2021

As at 31 March 2021

311,556

2020

\$

As at 1 April 2019

1,879,667

Loss allowance measured at:

Lifetime ECL

– Trade amounts (Simplified approach)

412,592

Utilised during the year

(71,025)

Disposal of subsidiaries

(1,833,069)

Exchange difference

(110)

As at 31 March 2020

388,055

The gross carrying amount of financial assets at amortised cost is as follows:

Group

2021

\$

12-month ECL

Financial assets at amortised cost

12,915,517

Lifetime ECL

Financial assets at amortised cost

3,159,258

Total

16,074,775

Group

2020

\$

12-month ECL

Financial assets at amortised cost

12,283,582

Lifetime ECL

Financial assets at amortised cost

4,025,340

Total

16,308,922

The gross carrying amount of trade receivables of the Group are disclosed in Note 16.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

(iii) Trade receivables and contract assets

The Group provides for lifetime expected credit losses for all trade receivables, and contract assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The loss allowance provision as at 31 March 2021 is determined as follows, the expected credit losses below also incorporate forward looking information based on specific economic data.

Summarised below is the information about the credit risk exposure on the Group's trade-related balances using provision matrix, grouped by geographical region:

2021

Singapore:

Contract assets	Current	31-60 days	61-90 days	>90 days	Total
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For the financial year ended 31 March 2021

	\$	\$	\$	\$	\$	\$
Gross carrying amount	4,256,184	1,858,569	94,774	94,873	915,276	7,219,676
Loss allowance provision	138,213	–	–	–	287,643	425,856

Other geographical areas:

	Contract assets \$	Current \$	31-60 days \$	61-90 days \$	>90 days \$	Total \$
Gross carrying amount	–	16,968	–	–	178,798	195,766
Loss allowance provision	–	–	–	–	23,913	23,913

2020

Singapore:

	Contract assets \$	Current \$	31-60 days \$	61-90 days \$	>90 days \$	Total \$
Gross carrying amount	7,793,910	2,851,729	378,808	97,638	461,781	11,583,866
Loss allowance provision	366,831	–	–	–	399,542	766,373

Other geographical areas:

	Contract assets \$	Current \$	31-60 days \$	61-90 days \$	>90 days \$	Total \$
Gross carrying amount	–	2,487	–	–	232,897	235,384
Loss allowance provision	–	–	–	–	59,538	59,538

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

(iii) Trade receivables and contract assets (Continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. The Group does not apply hedge accounting.

Exposure to credit risk

As at the end of the reporting period, the Group's and the Company's maximum exposure to

NOTES TO THE FINANCIAL STATEMENTS

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credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the balance sheets; and
- a nominal amount of \$2,702,586 (2020: \$533,348) relating to a corporate guarantee provided by the Group to the banks on subsidiaries' bank loans.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2021		2020	
	\$	% of	\$	% of
By country:				
Singapore	2,675,849	94	3,461,439	95
Malaysia	170,878	6	174,871	5
Others	975	–	975	–
	2,847,702	100	3,637,285	100
By industry sector:				
Engineering business	2,613,687	92	3,040,372	84
Water-related and environmental business	234,015	8	596,913	16
	2,847,702	100	3,637,285	100

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

(iii) Trade receivables and contract assets (Continued)

Financial assets that are neither past due nor impaired

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

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

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

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (Continued)

	One year or less \$	One to five years \$	Over five years \$	Total \$
Group				
2021				
Financial assets				
Trade and other receivables ⁽¹⁾	4,624,094	11,529,717	–	16,153,811
Cash and short-term deposits	3,402,107	1,635,464	–	5,037,571
Total undiscounted financial assets	8,026,201	13,165,181	–	21,191,382
Financial liabilities				
Trade and other payables ⁽²⁾	7,212,376	2,700,000	–	9,912,376
Bank borrowings	2,266,225	2,893,197	144,908	5,304,330
Lease liabilities	1,036,524	477,216	–	1,513,740
Loans from shareholder	–	6,766,926	–	6,766,926
Total undiscounted financial liabilities	10,515,125	12,837,339	144,908	23,497,372

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Total net undiscounted financial (liabilities)/assets	(2,488,924)	327,842	(144,908)	(2,305,990)
2020				
Financial assets				
Trade and other receivables ⁽¹⁾	5,301,533	11,418,000	–	16,719,533
Cash and short-term deposits	1,960,615	921,263	–	2,881,878
Total undiscounted financial assets	7,262,148	12,339,263	–	19,601,411
Financial liabilities				
Trade and other payables ⁽²⁾	8,439,277	–	–	8,439,277
Bank borrowings	2,000,143	161,797	185,856	2,347,796
Lease liabilities	996,208	1,339,194	–	2,335,402
Loans from shareholders	4,107,431	6,304,445	–	10,411,876
Total undiscounted financial liabilities	15,543,059	7,805,436	185,856	23,534,351
Total net undiscounted financial (liabilities)/assets	(8,280,911)	4,533,827	(185,856)	(3,932,940)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (Continued)

	One year or less \$	One to five years \$	Over five years \$	Total \$
Company				
2021				
Financial assets				
Trade and other receivables ⁽¹⁾	8,076,872	11,529,717	–	19,606,589
Cash and short-term deposits	46,742	–	–	46,742
Total undiscounted financial assets	8,123,614	11,529,717	–	19,653,331
Financial liabilities				
Trade and other payables ⁽²⁾	17,087,476	2,700,000	–	19,787,476
Bank borrowings	1,619,341	844,791	144,908	2,609,040
Loans from shareholders	–	6,766,926	–	6,766,926
Total undiscounted financial liabilities	18,706,817	10,311,717	144,908	29,163,442

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For the financial year ended 31 March 2021

Total net undiscounted financial (liabilities)/assets	(10,583,203)	1,218,000	(144,908)	(9,510,111)
Company				
2020				
Financial assets				
Trade and other receivables ⁽¹⁾	14,545,097	11,418,000	–	25,963,097
Cash and short-term deposits	14,734	–	–	14,734
Total undiscounted financial assets	<u>14,559,831</u>	<u>11,418,000</u>	<u>–</u>	<u>25,977,831</u>
Financial liabilities				
Trade and other payables ⁽²⁾	11,912,595	–	–	11,912,595
Bank borrowings	1,500,078	161,797	185,856	1,847,731
Loans from shareholders	3,989,658	6,304,445	–	10,294,103
Total undiscounted financial liabilities	<u>17,402,331</u>	<u>6,466,242</u>	<u>185,856</u>	<u>24,054,429</u>
Total net undiscounted financial (liabilities)/assets	<u>(2,842,500)</u>	<u>4,951,758</u>	<u>(185,856)</u>	<u>1,923,402</u>

(1) Exclude GST refundable, interest and grant receivable

(2) Exclude GST payable and deferred grant income

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (Continued)

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

	One year or less \$	Total \$
Company		
2021		
Financial guarantees provided to subsidiaries	<u>2,702,586</u>	<u>2,702,586</u>
2020		
Financial guarantees provided to subsidiaries	<u>533,348</u>	<u>533,348</u>

34. FAIR VALUE OF ASSETS AND LIABILITIES

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For the financial year ended 31 March 2021

(a) Fair value hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

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

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) Assets and liabilities measured at fair value

	Note	Fair value measurements using			Total
		Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
		\$	\$	\$	\$
Group and Company 2021					
Assets					
<i>Financial assets:</i>					
Investment securities	18	125,700	–	–	125,700
<i>Financial liabilities:</i>					

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Contingent consideration	20	–	–	2,700,000	2,700,000
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2020

Assets

Financial assets:

Investment securities	18	125,700	–	–	125,700
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(c) Assets and liabilities not measured at fair value, for which fair value is disclosed

The following table shows an analysis of the Group's assets and liabilities not measured at fair value, for which fair value is disclosed:

		Quoted prices in active markets for identical instruments (Level 1) \$	Fair value measurements using Significant observable inputs other than quoted prices (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
Group and Company					
2021					
Assets					
<i>Non-financial assets:</i>					
Investment property	11	–	1,700,000	–	1,700,000
2020					
Assets					
<i>Non-financial assets:</i>					
Investment property	11	–	1,680,000	–	1,680,000

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Investment property

The valuation of the investment property is based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

(e) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable input (level 3):

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

Description	Valuation techniques	Unobservable inputs	Relationship between unobservable inputs and fair value
Contingent consideration	Income approach	Estimated net profits generated from the Agreed Projects	The higher/lower the net profits, the lower/higher the fair value valuation loss

The fair value of the contingent consideration approximates its carrying value as the impact of discounting is not significant.

(ii) Valuation policies and procedures

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

For all significant financial reporting valuations using valuation model and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. The FC is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 fair value measurement guidance.

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

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

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

35. FINANCIAL INSTRUMENTS BY CATEGORY

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

Group 2021	Financial assets at amortised cost \$	Financial liabilities at amortised cost \$	Financial assets/ liabilities at fair value through profit or loss \$	Total \$
Assets				
Trade and other receivables ⁽¹⁾	15,521,706	–	–	15,521,706
Cash and short-term deposits	5,037,571	–	–	5,037,571
Investment securities	–	–	125,700	125,700
	<u>20,559,277</u>	<u>–</u>	<u>125,700</u>	<u>20,684,977</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

Liabilities

Trade and other payables ⁽²⁾
Bank borrowings
Lease liabilities
Loans from shareholders

–	7,212,376	2,700,000	9,912,376
–	5,005,820	–	5,005,820
–	1,416,268	–	1,416,268
–	5,640,600	–	5,640,600
–	19,275,064	2,700,000	21,975,064

2020

Assets

Trade and other receivables ⁽¹⁾
Cash and short-term deposits
Investment securities

15,679,354	–	–	15,679,354
2,881,878	–	–	2,881,878
–	–	125,700	125,700
18,561,232	–	125,700	18,686,932

Liabilities

Trade and other payables ⁽²⁾
Bank borrowings
Lease liabilities
Loans from shareholders

–	8,439,277	–	8,439,277
–	2,249,669	–	2,249,669
–	2,119,396	–	2,119,396
–	9,396,031	–	9,396,031
–	22,204,373	–	22,204,373

35. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Company 2021	Financial assets at amortised cost \$	Financial liabilities at amortised cost \$	Financial assets/ liabilities at fair value through profit or loss \$	Total \$
Assets				
Trade and other receivables ⁽¹⁾	18,974,484	–	–	18,974,484
Cash and short-term deposits	46,742	–	–	46,742
Investment securities	–	–	125,700	125,700
	19,021,226	–	125,700	19,146,926
Liabilities				
Trade and other payables ⁽²⁾	–	17,087,476	2,700,000	19,787,476
Bank borrowings	–	2,475,146	–	2,475,146

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

Loans from shareholders

–	5,640,600	–	5,640,600
–	25,203,222	2,700,000	27,903,222

2020

Assets

Trade and other receivables ⁽¹⁾	24,922,918	–	–	24,922,918
Cash and short-term deposits	14,734	–	–	14,734
Investment securities	–	–	125,700	125,700
	<u>24,937,652</u>	<u>–</u>	<u>125,700</u>	<u>25,063,352</u>

Liabilities

Trade and other payables ⁽²⁾	–	11,912,597	–	11,912,597
Bank borrowings	–	1,786,505	–	1,786,505
Loans from shareholders	–	9,278,258	–	9,278,258
	<u>–</u>	<u>22,977,360</u>	<u>–</u>	<u>22,977,360</u>

(1) Exclude GST refundable, interest and grant receivable

(2) Exclude GST payable and deferred grant income

36. CAPITAL MANAGEMENT

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

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

Management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayment and interests) based on their operating cash flows. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2021 and 2020.

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, lease liabilities, and trade and other payables, less cash and short-term deposits. Total capital is calculated as total equity plus net debt.

The Group monitors its capital structure as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Trade and other payables	10,314,928	9,528,065	19,789,246	11,912,597
Bank borrowings	5,005,820	2,249,669	2,475,146	1,786,505
Lease liabilities	1,416,268	2,119,396	–	–
Less: Cash and short-term deposits	(5,037,571)	(2,881,878)	(46,742)	(14,734)
Net debt	11,699,445	11,015,252	22,217,650	13,684,368
Total equity	12,202,213	16,473,502	19,490,923	29,202,943
Total capital	23,901,658	27,488,754	41,708,573	42,887,311
Gearing ratio	48.95%	40.07%	53.27%	31.9%

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

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

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2021 and 2020.

37. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) In relation to the grant of 40,000,000 share awards to 5 employees of the Group on 28 March 2019, as at year-end, the remaining 20,000,000 of the share awards have vested and the shares for the vested awards were subsequently issued on 27 April 2021 amounting to \$580,000.
- (b) TGL Engineering Group Pte. Ltd., a wholly owned subsidiary of the Company has changed its name to ADAS Group Pte. Ltd. with effect from 18 May 2021.

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 6 July 2021.

STATISTICS OF SHAREHOLDINGS

As at 15 June 2021

SHARE CAPITAL

Issued and Fully Paid-Up Ordinary Share Capital	:	79,772,052.07
Class of Ordinary Shares	:	Ordinary Shares
Number of Ordinary Shares	:	984,867,731
Number of Treasury Shares	:	Nil
Number of Subsidiary Shares	:	Nil
Voting Rights	:	1 vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	238	14.45	4,228	0.00
100 – 1,000	28	1.70	10,168	0.00
1,001 – 10,000	200	12.14	985,636	0.10
10,001 – 1,000,000	1,089	66.12	188,169,484	19.11
1,000,001 AND ABOVE	92	5.59	795,698,215	80.79
TOTAL	1,647	100.00	984,867,731	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	WANG XIAONING	120,673,628	12.25
2	LEE SUI HEE	71,310,612	7.24
3	ADONIS INVESTMENT HOLDINGS PTE LTD	69,317,985	7.04
4	CAI JUNGANG	62,301,805	6.33
5	PHILLIP SECURITIES PTE LTD	44,847,716	4.55
6	DBS NOMINEES (PRIVATE) LIMITED	44,697,576	4.54
7	LOH CHANG KAN	33,204,114	3.37
8	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	31,046,308	3.15
9	OCBC SECURITIES PRIVATE LIMITED	18,702,172	1.90
10	LIM YONG LUY	18,000,000	1.83
11	TAN CHIEN HSIANG (CHEN JIANXIANG)	15,150,000	1.54
12	MAYBANK KIM ENG SECURITIES PTE. LTD.	12,218,816	1.24
13	ONG GIM LOO	10,500,000	1.07
14	FU CHEN	10,000,000	1.02
15	XU YONGSHENG	8,121,000	0.82
16	TAN GEK POEY	7,970,900	0.81
17	LIM KOK HWA	7,400,000	0.75
18	UOB KAY HIAN PRIVATE LIMITED	7,322,000	0.74
19	PENG MEI FERN	6,873,700	0.70
20	SINGAPORT CLEANSEAS PTE LTD	6,450,000	0.65
TOTAL		606,108,332	61.54

STATISTICS OF SHAREHOLDINGS

As at 15 June 2021

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	DIRECT INTEREST	%	INDIRECT INTEREST	%
WANG XIAONING	120,673,628	12.25	–	–
LEE SUI HEE	71,310,612	7.24	–	–
ADONIS INVESTMENT HOLDINGS PTE LTD	69,317,985	7.04	–	–
CAI JUNGANG	62,301,805	6.33	–	–

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 15 June 2021, approximately 63.46% of the ordinary issued shares of the Company are held by the public.

Accordingly, Rule 723 of the Listing Manual (Section B: Rule of Catalyst) of the Singapore Exchange Securities Trading Limited has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 12th Annual General Meeting (“**AGM**”) of the Company will be held by way of electronic means on Thursday, 29 July 2021 at 10.30 a.m. for the purposes of considering and, if thought fit, passing with or without modifications the following resolutions:

Ordinary Business

AS ORDINARY RESOLUTIONS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 March 2021 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of S\$190,000 for the financial year ended 31 March 2021 (FY2020: S\$190,000). **(Resolution 2)**
3. To re-elect Professor Yong Kwet Yew retiring pursuant to Regulation 99 of the Constitution of the Company. **(See Explanatory Notes)** **(Resolution 3)**
4. To re-elect Mr Aw Eng Hai retiring pursuant to Regulation 99 of the Constitution of the Company. **(See Explanatory Notes)** **(Resolution 4)**
5. Contingent upon the passing of Ordinary Resolution 3 and pursuant to Rule 406(3)(d)(iii)(A) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”) which will take effect from 1 January 2022, Shareholders to approve the continued appointment of Professor Yong Kwet Yew as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of: (a) the retirement or resignation of the Director; or (b) the conclusion of the third AGM from the aforesaid approval. **(Resolution 5)**
(See Explanatory Notes)
6. Contingent upon the passing of Ordinary Resolutions 3 and 5 and pursuant to Rule 406(3)(d)(iii)(B) of the Catalist Rules which will take effect from 1 January 2022, Shareholders, excluding the directors, the chief executive officer and their associates, to approve the continued appointment of Professor Yong Kwet Yew as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of: (a) the retirement or resignation of the Director; or (b) the conclusion of the third AGM from the aforesaid approval. **(Resolution 6)**
(See Explanatory Notes)
7. Contingent upon the passing of Ordinary Resolution 4 and pursuant to Rule 406(3)(d)(iii)(A) of the Catalist Rules which will take effect from 1 January 2022, Shareholders to approve the continued appointment of Mr Aw Eng Hai as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of: (a) the retirement or resignation of the Director; or (b) the conclusion of the third AGM from the aforesaid approval. **(Resolution 7)**
(See Explanatory Notes)
8. Contingent upon the passing of Ordinary Resolutions 4 and 7 and pursuant to Rule 406(3)(d)(iii)(B) of the Catalist Rules which will take effect from 1 January 2022, Shareholders, excluding the directors, the chief executive officer and their associates, to approve the continued appointment of Mr Aw Eng Hai as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of: (a) the retirement or resignation of the Director; or (b) the conclusion of the third AGM from the aforesaid approval. **(Resolution 8)**
(See Explanatory Notes)

NOTICE OF ANNUAL GENERAL MEETING

9. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

(Resolution 9)

Special Business

AS ORDINARY RESOLUTION

10. General Authority to Allot and Issue Shares

That, pursuant to Section 161 of the Companies Act, Chapter 50 ("**Companies Act**") and Rule 806(2) of the Catalist Rules, authority be and is hereby given to the Directors to:

- (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or;
- (ii) make or grant offers, agreements or options (collectively "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into shares;

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

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

provided always that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), provided that the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company ("**Shareholders**") (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 calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the 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, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

NOTICE OF ANNUAL GENERAL MEETING

any adjustments made in accordance with sub-paragraphs (2)(a) or (2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the Resolution approving the mandate.

- (3) in exercising the authority conferred by this Resolution, the Directors shall comply with the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(Resolution 10)

(See Explanatory Notes)

By Order of the Board

Siau Kuei Lian
Company Secretary

14 July 2021
Singapore

Important notice on AGM arrangements in light of COVID-19

The Notice of AGM has been published on SGXNET and the Company's website at www.tritech.com.sg. A printed copy of this Notice, the proxy form and other documents related to the AGM will **NOT** be despatched to shareholders.

This notice sets out the Company's arrangements relating to, among others, attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and/or voting by appointing the Chairman of the AGM as proxy for the AGM.

Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Due to the current COVID-19 restriction orders in Singapore, Shareholders are encouraged to attend the AGM via live webcast. Shareholders will be able to watch the proceedings of the AGM through a live webcast ("**LIVE WEBCAST**") via their mobile phones, tablets or computers or listen to these proceedings through a live audio feed ("**AUDIO ONLY MEANS**") via telephone. In order to do so, Shareholders who wish to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS must pre-register by 10.30 a.m. on 27 July 2021 at <https://conveneagm.sg/tritechgroupagmandegm>.

Shareholders will receive an email verification authenticating their status as Shareholders shortly upon pre-registration, along with accompanying instructions on accessing the AGM via LIVE WEBCAST and AUDIO ONLY MEANS. Shareholders should use the log-on credentials received to access the LIVE WEBCAST and AUDIO ONLY MEANS of the AGM. Shareholders who do not receive an email 24 hours after pre-registration may contact technical support via email at support@conveneagm.com or through the toll free number at 8008523335.

Persons holding shares through relevant intermediaries, who wish to participate in the AGM via LIVE WEBCAST or through the AUDIO ONLY MEANS, should contact their relevant intermediaries through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

3. Shareholders who pre-register to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS may also submit questions relating to the resolutions to be tabled for approval at the AGM. Please note that Shareholders will not be able to ask questions at the AGM "live" during the webcast and the audio feed.

All questions must be submitted by 10.30 a.m. on 19 July 2021 ("**Questions Cut-Off Date**") via the pre-registration website at <https://conveneagm.sg/tritechgroupagmandegm>.

NOTICE OF ANNUAL GENERAL MEETING

The Company will address substantial questions relevant to the resolutions to be tabled for approval at the AGM as received from Shareholders before the Questions Cut-Off Date, by publishing the answers on SGXNET, at or prior to the AGM. The Company will, within one month after the date of the AGM, publish the minutes of the AGM, together with responses to subsequent clarifications sought or follow-up questions raised by Shareholders in respect of substantial and relevant matters on SGXNET and the Company's website at www.tritech.com.sg.

4. Shareholders (whether individuals or corporates) who wish to exercise their voting rights at the AGM must appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM. In appointing the Chairman of the AGM as proxy, Shareholders (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
5. The Chairman of the AGM, as proxy, need not be a member of the Company.
6. The proxy form appointing the Chairman of the AGM must be downloaded, printed, completed and signed by Shareholders and sent to the Company in the following manner:
 - (a) if sent personally or by post, be received by the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (b) if submitted by email, be sent as a clearly readable image via email to the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at shareregistry@incorp.asia,
 in either case no later than 10.30 a.m. on 27 July 2021 and in default the proxy form shall not be treated as valid.
7. The proxy form appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the proxy form appointing the Chairman of the AGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
8. Where the proxy form appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the proxy form, failing which the proxy form may be treated as invalid.
9. The Company shall be entitled to reject the proxy form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form appointing the Chairman of the AGM as proxy.
10. In the case of shares entered in the Depository Register, the Company may reject the proxy form if the shareholder, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Important Reminders:

Due to the current COVID-19 situation, the Company may be required to change its AGM arrangements at short notice. Shareholders are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM. Further, in view of the current COVID-19 measures which may make it difficult for Shareholders to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

Personal Data Privacy:

By (a) submitting a proxy form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, (b) completing the pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a Shareholder of the Company consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as proxy for the AGM (including any adjournment thereof);
- (ii) processing of the pre-registration for purposes of granting access to Shareholders to the LIVE WEBCAST or AUDIO ONLY MEANS of the AGM proceedings and providing them with any technical assistance where necessary;
- (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

NOTICE OF ANNUAL GENERAL MEETING

In addition, the personal data of a Shareholder (such as name, presence at the AGM and any questions raised or motions proposed/seconded) may be recorded by the Company during sounds and/or video recordings of the AGM which may be made by the Company for record keeping and to ensure the accuracy of the minutes of the AGM and a Shareholder of the Company consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for such purpose.

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 the Non-Executive Chairman and Independent Director of the Company, Chairman of Nominating Committee and Remuneration Committee and a member of Audit Committee. The Board considers Professor Yong Kwet Yew to be independent for the purpose of Rule 704(7) of the Catalyst Rules.

Resolution 5 and Resolution 6

Contingent upon the passing of Ordinary Resolution 3 and pursuant to Rule 406(3)(d)(iii) of the Catalyst Rules of the SGX-ST which will take effect from 1 January 2022, Professor Yong Kwet Yew, having served on the Board beyond nine (9) years from the date of his first appointment, will not be considered as an Independent Director on 1 January 2022 unless his appointment as an Independent Director is approved in separate resolutions by (A) all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates. The Company is seeking at this AGM to obtain the required approval in separate resolutions by (A) by all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates prior to 1 January 2022 as required for his continued appointment as an Independent Director. Ordinary Resolutions 5 and 6, if passed, will enable Professor Yong Kwet Yew to continue his appointment as an Independent Director (unless the appointment has been changed subsequent to the AGM) pursuant to Rule 406(3)(d)(iii) of the Catalyst Rules of the SGX-ST and to Provision 2.1 of the Code of Corporate Governance 2018 and the approval shall remain in force until the earlier of (a) his retirement or resignation; or (b) the conclusion of the third AGM of the Company. Ordinary Resolution 6 is conditional upon Ordinary Resolutions 3 and 5 being duly approved, else the aforesaid director will be designated as Non-Independent Director with effect from 1 January 2022 and the Company will consider other alternative including refreshment of the Board.

If only Ordinary Resolution 3 is passed, Professor Yong Kwet Yew shall continue as an Independent Director of the Company up to and including 31 December 2021, and shall thereafter be re-designated as a Non-Executive and Non-Independent Director as of and from 1 January 2022. If Ordinary Resolution 3 is not passed, Ordinary Resolutions 5 and 6 will be withdrawn. The Company shall endeavor to search for suitable candidate(s) and fill the vacancies of the independent director(s) within two, but no later than three months to fulfill the requirements of the Catalyst Rules and Code of Corporate Governance, where applicable.

Resolution 4

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

Resolution 7 and Resolution 8

Contingent upon the passing of Ordinary Resolution 4 and pursuant to Rule 406(3)(d)(iii) of the Catalyst Rules of the SGX-ST which will take effect from 1 January 2022, Mr Aw Eng Hai, having served on the Board beyond nine (9) years from the date of his first appointment, will not be considered as an Independent Director on 1 January 2022 unless his appointment as an Independent Director is approved in separate resolutions by (A) all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates. The Company is seeking at this AGM to obtain the required approval in separate resolutions by (A) by all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates prior to 1 January 2022 as required for his continued appointment as an Independent Director. Ordinary Resolutions 7 and 8, if passed, will enable Mr Aw Eng Hai to continue his appointment as an Independent Director (unless the appointment has been changed subsequent to the AGM) pursuant to Rule 406(3)(d)(iii) of the Catalyst Rules of the SGX-ST and to Provision 2.1 of the Code of Corporate Governance 2018 and the approval shall remain in force until the earlier of (a) his retirement or resignation; or (b) the conclusion of the third AGM of the Company. Ordinary Resolution 8 is conditional upon Ordinary Resolutions 4 and 7 being duly approved, else the aforesaid director will be designated as Non-Independent Director with effect from 1 January 2022 and the Company will consider other alternative including refreshment of the Board.

If only Ordinary Resolution 4 is passed, Mr Aw Eng Hai shall continue as an Independent Director of the Company up to and including 31 December 2021, and shall thereafter be re-designated as a Non-Executive and Non-Independent Director as of and from 1 January 2022. If Ordinary Resolution 4 is not passed, Ordinary Resolutions 7 and 8 will be withdrawn. The Company shall endeavor to search for suitable candidate(s) and fill the vacancies of the independent director(s) within two, but no later than three months to fulfill the requirements of the Catalyst Rules and Code of Corporate Governance, where applicable.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note on Special Business to be transacted:

Resolution 10

The Ordinary Resolution 10 proposed in item 10 above, if passed, will empower the Directors of the Company, from the date of the forthcoming AGM of the Company until the next AGM 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 10, 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 10 would not exceed one hundred per cent (100%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of Ordinary Resolution 10. For issue of Shares and convertible securities other than on a *pro rata* basis to all Shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed fifty per cent (50%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of Ordinary Resolution 10.

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 10, after adjusting for:

- (i) new Shares arising from the conversion or exercise of convertible securities;
- (ii) new Shares arising from the exercise of share options or vesting of share awards; and
- (iii) any subsequent bonus issue, consolidation or subdivision of Shares.

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)

This proxy form has been made available on SGXNET and the Company's website and may be accessed at the URL www.tritech.com.sg. A printed copy of this proxy form will **NOT** be despatched to shareholders.

IMPORTANT

- Due to the current COVID-19 restriction orders in Singapore, shareholders of the Company ("**Shareholders**") are encouraged to attend the AGM via live webcast. Shareholders will be able to watch the proceedings of the AGM through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, Shareholders must pre-register by 10.30 am on 27 July 2021, at <https://conveneagm.sg/tritechgroupagmandegm>. Shareholders will receive an email verification authenticating their status as Shareholders immediately upon pre-registration, along with the accompanying instructions on accessing the webcast and audio feed of the proceedings. Shareholders who do not receive an email 24 hours after pre-registration may contact technical support via email at support@conveneagm.com or through the toll free number at 8008523335.
- By submitting a proxy form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a Shareholder consents to the collection, use and disclosure of their personal data by the Company (or its agents or service providers) for such purposes and/or otherwise with the personal data privacy terms set out in the Notice of AGM dated 14 July 2021.
- An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may inform their SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, at least 7 working days before the Meeting, in which case, SRS investors shall be precluded from attending the Meeting.
- This proxy form is not valid for use by SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (name) of _____ (NRIC/Passport No./Company Registration No.)

of _____ (address)

being a *Shareholder/Shareholders of **TRITECH GROUP LIMITED** (the "**Company**"), hereby appoint the Chairman of the annual general meeting of the Company ("**AGM**"), as my/our* proxy to vote for me/us* on my/our* behalf at the AGM to be held by way of electronic means on 29 July 2021 at 10.30 a.m. and at any adjournment thereof. I/We* direct the Chairman of the AGM to vote for, against, or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the appointment of the Chairman of the AGM as my/our* proxy will be treated as invalid.

The resolutions put to the vote at the AGM shall be decided by way of poll.

No.	Resolutions relating to	For	Against	Abstain
ORDINARY BUSINESS				
Resolution 1	Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 March 2021			
Resolution 2	Directors' fees of S\$190,000 for the financial year ended 31 March 2021 (FY2020: S\$190,000)			
Resolution 3	Re-election of Professor Yong Kwet Yew as Director of the Company			
Resolution 4	Re-election of Mr Aw Eng Hai as Director of the Company			
Resolution 5	Approval of the continued appointment of Professor Yong Kwet Yew as an Independent Director by shareholders			
Resolution 6	Approval of the continued appointment of Professor Yong Kwet Yew as an Independent Director by shareholders (excluding the directors, the chief executive officer and their associates)			
Resolution 7	Approval of the continued appointment of Mr Aw Eng Hai as an Independent Director by shareholders			
Resolution 8	Approval of the continued appointment of Mr Aw Eng Hai as an Independent Director by shareholders (excluding the directors, the chief executive officer and their associates)			
Resolution 9	Re-appointment of Ernst & Young LLP as Auditors of the Company			
SPECIAL BUSINESS				
Resolution 10	General Authority to Allot and Issue Shares			

Notes:

If you wish to exercise all your votes "For", "Against" or "Abstain", please tick within the box provided. Alternatively, please indicate the number of shares the Chairman of the AGM, as your proxy, is directed to vote "For", "Against" or "Abstain".

*Delete where inapplicable

Dated this _____ day of _____ 2021

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

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this proxy form will be deemed to relate to the entire number of ordinary Shares in the Company registered in your name(s).
2. A Shareholder will not be able to attend the AGM in person. If a Shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a Shareholder (whether individual or corporate) must give specific instructions as to voting), or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. The proxy form appointing the Chairman of the AGM as proxy must be downloaded, printed, completed and signed by Shareholders and sent to the Company in the following manner:
 - (a) if sent by post, be posted to and received by the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (b) if sent by email, be sent as a clearly readable image via email to the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. at shareregistry@incorp.asia

in either case, by no later than 10.30 a.m. on 27 July 2021, and in default the proxy form shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically via email.

4. The proxy form appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the proxy form appointing the Chairman of the AGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
5. Where the proxy form appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the proxy form, failing which the proxy may be treated as invalid.
6. The Company shall be entitled to reject the proxy form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form appointing the Chairman of the AGM as proxy.
7. In the case of shares entered in the Depository Register, the Company may reject the proxy form if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.



TRITECH GROUP LIMITED

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