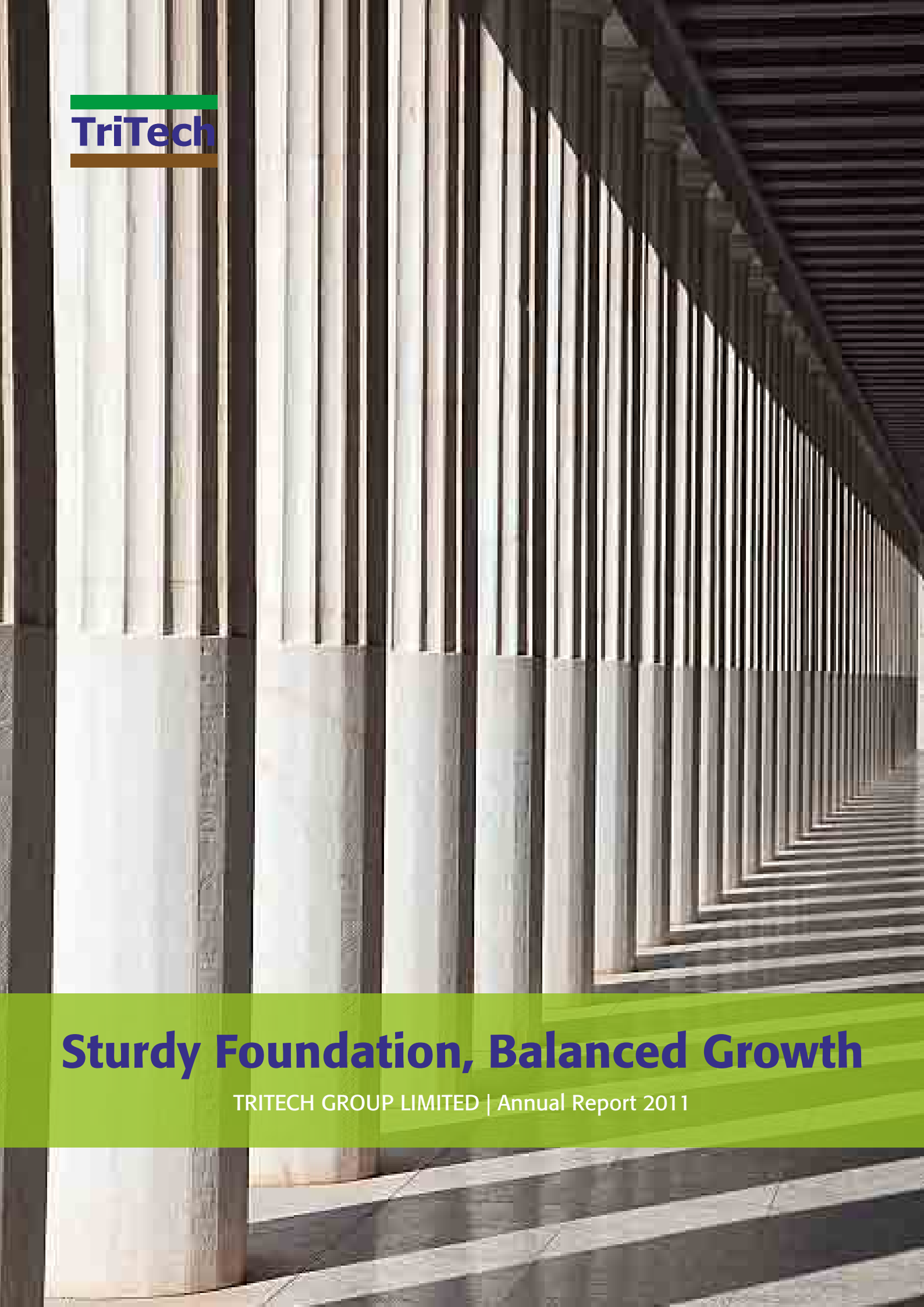

TriTech

Sturdy Foundation, Balanced Growth

TRITECH GROUP LIMITED | Annual Report 2011

Contents

This annual report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd., (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Sponsor has not independently verified the contents of this annual report.

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

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088

TriTech

Tritech Group Limited

Annual Report 2011


TriTech
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Corporate Profile

Established in 1999, Tritech Group Limited ("Tritech" and its subsidiaries the "Group") is a leading specialist engineering group with an excellent reputation as a provider of geotechnical, ground and structural engineering services to a broad range of industries, such as infrastructure, oil & gas, commercial and high-end residential property developments. Led by an experienced management team of highly qualified professionals that includes 7 PhD holders, the Group is one of few engineering groups in Singapore with the technical expertise and capabilities to provide services that span across the entire value chain.

Over the years, the Group has established a strong foothold in projects for government statutory boards such as the Jurong Town Corporation, Land Transport Authority, Housing and Development Board and Public Utilities Board. It has a proven track record in a multitude of high profile public and private sector projects in Singapore, including the MRT Circle and Downtown Lines, the Jurong Rock Cavern in Jurong Island and Reflections @ Keppel Bay.

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

ENGINEERING BUSINESS

- Specialist Engineering Division
  - Provision of geotechnical instrumentation and monitoring services, geotechnical & geological site explorations, investigations, analysis & testing for general and infrastructure construction
  - Provision of design, consultancy and project management services for infrastructure, environmental, geotechnical, civil and rock engineering works
  - Provision of products and related services that deploy Machine-to-Machine (M2M) technology
  - Supply and installation of Tritech's own brand of geotechnical instruments
- Ground and Structural Engineering Division
  - Provision of ground engineering services such as soil improvement by jet grouting, design and installation of soil nails, ground anchors and micropiles, design and build of retaining wall systems for slope cutting and stabilisation, and basement evacuation projects
  - Provision of structural engineering services such as structural inspection and repair, design and build of post-tension systems for buildings and bridges

WATER-RELATED 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

LIMESTONE BUSINESS

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

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

Business Model

Specialist Engineering Service

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 deploying machine-to-machine technology

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

Ground & Structural Engineering Service

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

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

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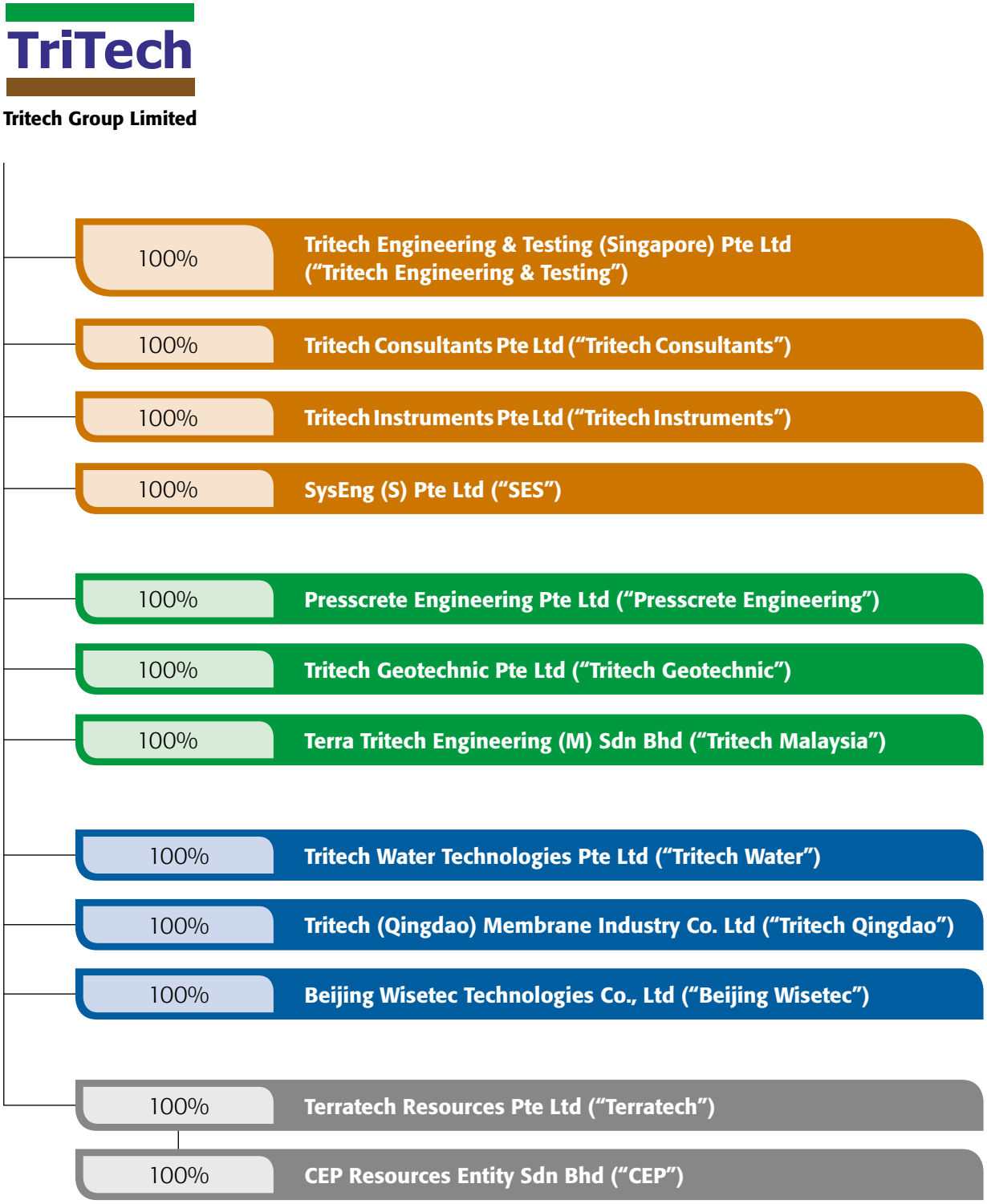
Water-related Business

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

Resources

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

Group Structure



- Specialist Engineering
- Ground & Structural Engineering
- Water Treatment
- Resources

Message to Shareholders

"Our management has worked hard to successfully execute strategic initiatives that will provide the Group with a more balanced structure and solid foundation for sustainable growth over the long term."

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the annual report for Tritech Group Limited ("Tritech" and together with its subsidiaries, the "Group") for the financial year ended 31 March 2011 ("FY2011").

Over this 12-month period, our management has worked hard to successfully execute strategic initiatives that will provide the Group with a more balanced structure and solid foundation for sustainable growth over the long term.

The most significant of these initiatives has been our venture into the limestone quarrying business ("Limestone Business"). This new business, together with our core engineering businesses and growing Water-related Business, means that the Group will now have three pillars of diversified income streams to support our future growth. At the same time, the Limestone Business will lead to Tritech's transformation from a principally service-oriented group into a product-cum-service group. It is therefore our firm belief that FY2011 had marked a milestone year in Tritech's corporate history and has set the Group on a path towards sustainability and growth in the years ahead.

The continuing efforts of our management to improve the performance of our engineering businesses are already evident in the Group's financial results for FY2011. During the period under review, our decision to sharpen the Group's focus on our Specialist Engineering Services segment has proven to be a timely and astute strategy.

As one of the few groups in Singapore that can offer a full range of geotechnical, ground and structural engineering services, we were able to leverage our established track record to tap on the continued demand for our specialist engineering services from public infrastructure projects and private developments. As a result, our Specialist Engineering Services division benefited from a $5.7 million or 19.6% increase in revenue to $34.8 million in FY2011. This more than offset the $2.1 million decline in revenue of our Ground and Structural Engineering Services Division, which experienced slower business activities due to increased competition amid slower market conditions.

This clearly demonstrates the balanced business portfolio that we have put in place for our core engineering businesses as the long term projects of our Specialist Engineering Services division cushion the Group during periods of slower business

Professor Yong Kwet Yew | Chairman

activity while the larger contract sizes typical of our Ground and Structural Engineering Services division offer the Group increased upside potential when market conditions improve.

We are also pleased to report that the Group witnessed a maiden revenue contribution of $1.1 million from our Water-related Business in FY2011. This arose from a water quality monitoring contract that the Singapore government awarded to the Group in April 2010.

In total, the Group's revenue increased 10.9% to $46.9 million in FY2011, from $42.3 million in FY2010. At the bottom line, the Group reported a profit after income tax of $8.4 million, an increase of 31.3% from $6.4 million in FY2010. Tritech also remains in sound financial health with a net cash position as at 31 March 2011.

Expansion into Limestone Business

During FY2011, Tritech was presented with an exciting business opportunity to venture into the Limestone Business through the acquisition of Terratech Resources Pte. Ltd. ("Terratech Resources") for approximately $12.9 million. Terratech Resources owns CEP Resources Entity Sdn. Bhd. which was granted a sub-lease for a 25.94 hectares quarry in Kelantan with the exclusive rights to explore, develop, quarry, extract and sell dimension stones, marble slabs, calcium powder, and other stones for a period of 33 years. After thorough due diligence by our Board and the approval of our shareholders at an Extraordinary General Meeting held on 23 March 2011, the acquisition of Terratech Resources was successfully completed on 30 March 2011.

The Group believes that the Limestone Business will enhance shareholders value. It is a knowledge-based and resource-driven business and we are confident that Tritech will be able to utilise our existing knowledge and expertise in rock engineering to complement the Limestone Business as well as to expand the scope of the Group's rock engineering services under our Specialist Engineering Services division.

More importantly, the Limestone Business will create an additional revenue driver for the Group in the future. Dimension stones are limited resources and the exclusive mining rights of a limestone quarry gives Tritech a valuable opportunity to benefit from the rising global demand for dimension stones. The Dimension Stone Advocate News World Demand Index for (finished) Marble Index showed annual growth of 13.5% between 2000 and 2008. And according to U.S. Geological Survey 2009, approximately

"Our venture into the Limestone Business will lead to Tritech's transformation from a principally service-oriented group into a product-cum-service group.
It is therefore our firm belief that FY2011 had marked a milestone year in Tritech's corporate history and has set the Group on a path towards sustainability and growth in the years ahead."

Dr Jeffrey Wang | Managing Director

Message to Shareholders (Cont'd)

1.45 million tons of dimension stone valued at US$288 million, was sold to or used by U.S. producers in 2008. Global Industry Analysts, Inc., forecasts demand in the U.S. to reach US$3.4 billion by 2015. In addition, China is expected to be a market with significant demand growth for marble. In 2008, the import value of marble in China was around US$1.5 billion.

To-date, the Limestone Business is progressing according to the Group's plans. We have already completed the road access to the extraction site and expect to commence activities for quarrying, extraction and sale of marble and/or other stones in the third quarter of 2011. The Group is presently expecting the Limestone Business to begin contributing revenue in FY2012.

Based on conservative assumptions of the quarry's production rate and the market prices of limestone products, Hartamas Valuation & Consultancy Sdn Bhd has projected the Limestone Business to generate revenue of approximately RM7.6 million in its second year of operations with this figure rising annually to reach RM53.5 million in its fifth year of operations. Hartamas Valuation & Consultancy Sdn Bhd has also projected the Limestone Business to have positive operating cash flows from the second year onwards and become profitable in its fourth year of operations with a net profit of RM1.8 million.

Water-related Business making good progress

The Group is continuing to make steady advances with our plans to expand our Water-related Business. This ongoing initiative will enable Tritech to build a new long term growth driver by capitalising on the rapidly growing global demand for alternative water resources. For example, the market for desalination is expected to generate expenditure of approximately US$95 billion from 2005 to 2015, of which around US$48 billion will be derived from expenditure on new desalination capacities[1].

At an Extraordinary General Meeting held on 28 July 2010, shareholders approved the Group's plans to carry on expanding its Water-related Business. As a result, we began development of a new production facility in Qingdao which will manufacture different types of membranes for use in waste water treatment systems and water treatment systems. Construction is progressing smoothly and the factory is expected to be completed towards the end of FY2012.

In preparation for the commencement of operations at our Qingdao factory, the Group is presently using our existing membrane production facility in Beijing as a showcase to market our water treatment membranes in the People's Republic of China ("PRC"). The Beijing facility has several production lines for the development and production of membranes for use in waste water treatment systems. Our subsidiary, Beijing Wisetec holds a patent for membrane production and has four pending applications for patent registration in the PRC for different types of membrane manufacturing technology which were developed by the Group's internal research and development teams.

Apart from membrane production, the Group also intends to explore opportunities to develop and market other products and services relating to water treatment. Following our receipt of the licence from the Agri-Food and Veterinary Authority of Singapore

[1] Source: Desalination Markets 2005 - 2015, a report published by Media Analytics Ltd.

for the production and sale of bottled drinking water in Singapore, our subsidiary Tritech Water has commenced production and is currently in discussions with various distributors to distribute our bottled drinking water and dispensers to consumers in Singapore.

The Group will use the bottled drinking water and dispensers business as a platform to showcase and market our production lines and systems. We intend to deploy our proprietary technologies and expertise, which are capable of treating and producing potable water from municipal water, waste water and seawater. Our plans are to target the regional markets, such as the PRC, India, Sri Lanka, Indonesia, Malaysia and the Middle East, where economic growth and increasing urbanisation are expected to fuel demand for water treatment technologies.

In the meantime, the water quality monitoring contract that we secured with the Singapore government will continue to contribute towards the Group's revenue in the current financial year.

Prospects for engineering businesses remain positive

Leveraging on Tritech's excellent reputation and established track record in Singapore, the Group has successfully clinched several contracts for major infrastructure projects from the government and statutory boards, such as the Public Utilities Board, the Land Transport Authority and Jurong Town Corporation. As at 15 June 2011, the Group had an order book of approximately $88.6 million, compared to $63.0 million as at 30 April 2010.

According to the Building and Construction Authority in a news release dated 12 January 2011, construction demand in Singapore is projected to reach between $22.0 billion and $28.0 billion in 2011. The Group believes this should present opportunities for our Specialist Engineering Services division and will continue to work hard to secure more contracts from newly launched government infrastructure projects and private development projects.

Our management recognises that the Group's Engineering Businesses could face increased pressure due to a more competitive environment, and will continue to take necessary measures to maintain profitability and sharpen the competitiveness of its service offerings. The Group's Engineering Business is expected to remain as the dominant revenue contributor while we build up our Limestone and Water-related Businesses. Nonetheless, our Directors believe the Group's performance will remain positive in the current financial year.

Appreciation

In closing, we would like to thank our fellow Directors on the Board for their valuable advice and contributions. On their behalf, we wish to express our appreciation to Tritech's management and staff for their commitment and contributions over the years. We also wish to extend our sincere thanks to our customers, business partners and shareholders for the confidence and support they have shown to our Group.

Professor Yong Kwet Yew
Chairman

Dr Jeffrey Wang
Managing Director

Operations and Financial Review

KEY CORPORATE DEVELOPMENTS IN FY2011

During FY2011, the Group continued to make steady progress in its core Engineering Business and Water-related Business. In addition, the Group has also successfully entered into the Limestone Business in FY2011. The Group believes that the Water-related Business and the Limestone Business will enhance its foundation to achieve sustainability and growth over the long term. The key corporate developments since April 2010 are as follows:

April 2010

SysEng (S) Pte Ltd was awarded a $3.36 million contract by the Singapore government in April 2010 to provide water quality profiling services and comprehensive maintenance of water quality stations and equipment in Singapore catchments and reservoirs. This contract involves services in relation to the design and operation of water quality monitoring systems; as well as provision of monitoring instruments and machine-to-machine automated real time monitoring services. This contract has duration of around 62 months from 3 May 2010.

Tritech Consultants Pte Ltd formed a consortium with Stiftesen SINTEF and MULTICONSULT AS (STM Consortium) in April 2010 to tender and execute projects in Singapore that are related to rock cavern/ tunnelling technology, offshore engineering and clean technology projects for energy saving buildings.

August 2010

Tritech Water Technologies Pte Ltd set up Tritech Water Institute in August 2010 to carry out research and development in new technologies relating to water treatment.

October 2010

The Group strengthened its financial position with a share placement exercise in October 2010 that raised gross proceeds of $2.2 million.

February 2011

Tritech Engineering and Testing (Singapore) Pte Ltd. was awarded a $3.15 million contract from Land Transport Authority ("LTA") in February 2011 to provide instrumentation and ground monitoring services within the surrounding excavation and construction areas for Downtown Line Stage 3 Package B which comprises 5 stations and a 13-kilometre tunnel. The contract duration is from 28 February 2011 to 30 December 2016.

March 2011

Tritech completed the acquisition of Terratech Resources in March 2011 which marked the Group's entry into the Limestone Business.

Beijing Wisetec Technologies Co. Pte. Ltd commenced marketing of the Group's water treatment membranes in the PRC. Construction of our new membrane production facility in Qingdao, the PRC, is on track for completion towards the end of FY2012.

April 2011

Tritech Consultants Pte Ltd was awarded a $10.21 consultancy contract from LTA in April 2011 to provide engineering supervision services for Contracts 929 and 930 of the Downtown Line Stage 3. The duration of the contract is 70 months from 4 April 2011.

Presscrete Engineering Pte Ltd clinched a $6.948 million contract from the Public Utilities Board (PUB) in April 2011 to supply and lay sewers, construct manholes and any temporary diversions, as well as design and construct temporary and permanent structures. The duration of the contract is 24 months from 20 April 2011.

STM Consortium was granted an extension of time of contract at the agreed maximum amount of $7.62 million from JTC Corporation on 16 May 2011 for the provision of project management services, technical advice and review services for Phase 1 of the Jurong Rock Cavern project. The duration of the contract is 36 months from May 2011.

As at 15 June 2011, the Group had an order book of approximately $88.6 million, compared to S$63.0 million as at 30 April 2010.

FY2011 FINANCIAL REVIEW

Review of Income Statement

Tritech currently derives its revenue primarily from the Specialist Engineering Services, and Ground and Structural Engineering Services segments. In FY2011, the Group recorded maiden revenue from its Water-related Business segment which includes water treatment consultancy services, production of water treatment membranes, supply of products and services for production of drinking water, and supply of water monitoring products and services.

The Group's revenue gained 10.9% to $46.9 million in FY2011, from $42.3 million in FY2010, lifted mainly by our Specialist Engineering Services which saw revenue increasing 19.3% year-on-year to $34.8 million. The improved performance of our Specialist Engineering Services more than offset the decline in revenue from our Ground and Structural Engineering Services segment. Revenue from our Ground and Structural Engineering Services in FY2011 decreased 16.2% to $10.9 million due to increased competition amid slower market conditions.

To counter the competitive landscape for Ground and Structural Engineering Services, the Group focused on growing its Specialist Engineering Services segment by tapping on the continued demand for design and consultancy work, geotechnical analysis and monitoring services from construction projects, particularly the public infrastructure projects in Singapore. The increase in revenue from our Specialist Engineering Services in FY2011 was achieved on the back of progressive revenue recognition from various public infrastructure project and private development projects, as well as new contracts secured in the year under review.

Our Water-related Business registered its first revenue contribution of S$1.1 million in FY2011. This was derived from a water monitoring contract which Tritech secured in April 2010 to provide water quality profiling services and comprehensive maintenance of water quality stations and equipment in Singapore catchments and reservoirs.

In FY2011, Specialist Engineering Services accounted for the largest share of revenue of 74.2%, while Ground and Structural Engineering Services and Water-related Business contributed to 23.3% and 2.4% of Group revenue respectively.

The Group's gross profit in FY2011 increased 10.2% to $17.7 million. Despite the increasingly competitive environment, our gross profit margin remained relatively stable at 37.8% in FY2011 compared to 38.0% in FY2010.

Other income in FY2011 increased by $2.1 million to $3.6 million, arising mainly from the bargain purchase in relation to the acquisition of Terratech Resources Pte Ltd.

Our total operating expenses in FY2011 totalled $11.4 million, up 19.0% from $9.6 million in the previous financial year. The increase of $1.8 million was attributed mainly to higher administrative costs in FY2011. Administrative costs increased on higher directors' remuneration, staff costs and professional fees, as well as higher depreciation due to an increase in property, plant and equipment.

Finance costs increased by $0.3 million to $0.5 million in FY2011, attributed mainly to an increase in bank borrowings to finance the working capital requirements and investment to set up the Group's new factory in Qingdao, the PRC, for the Water-related Business.

The Group attained healthy growth of 30.7% in net profit attributable to owners of the parent to $8.4 million in FY2011, boosted primarily by the increase in revenue and other income.

Financial Position and Cash Flow Analysis

As at 31 March 2011, The Group remains in sound financial health with a positive working capital of $35 million. The Group had cash and cash equivalents of $21.2 million and bank borrowings of $11.4 million. Net asset value increased to $62.7 million at the end of FY2011 from $39.6 million previously. As at 31 March 2011, the Group's net asset value per share was 25.14 cents based on total number of issued shares.

Our non-current assets increased significantly from $11.6 million to $34.0 million as at 31 March 2010. This increase of $22.4 million was attributed mainly to intangible assets of $18.9 million, whereby $16.2 million was related to mining rights following the acquisition of Terratech Resources Pte Ltd, while the remaining $0.6 million arose from the research and development activities relating to the Water-related Business. The increase in non-current assets was also due to the acquisition of land use rights of $2.1 million for the factory in Qingdao, as well as an increase in property, plant and equipment of $3.5 million in tandem with the expansion in the number of contracts secured by our Specialist Engineering Services segment.

Current assets at the end of FY2011 increased by $13.7 million to $54.2 million, attributed primarily to the increase in amount due from contract customers in line with the growth in Group revenue. Current liabilities also rose $9.4 million to $19.3 million as at 31 March 2011, as higher level of sales in FY2011 led to an increase in trade payables and other payables by $3.7 million to $11.0 million. In addition, short-term bank borrowings were higher by $5.3 million to finance the increased working capital requirements and investment in our water membrane production facility in Qingdao.

Non-current liabilities were $6.3 million as at 31 March 2011, an increase of $3.7 million from $2.6 million at the end of FY2010, due mainly to an increase in bank borrowings.

In FY2011, the Group generated net cash from operations of $2.1 million. Around $6.6 million was used in investing activities for the purchase of property, plant and equipment and land use right. On the other hand, the Group had net cash inflow from financing activities of $8.2 million in FY2011, contributed by new bank borrowings, proceeds from the share placement and the conversion of warrants into ordinary shares. As a result of the aforementioned factors, the Group recorded a net increase in cash and cash equivalents of $3.3 million during FY2011.

Board of Directors

Professor Yong Kwet Yew
Non-Executive Chairman and Independent Director

Professor Yong Kwet Yew is our Non-Executive Chairman and Independent Director appointed as a Director on 9 June 2008. Professor Yong is a highly regarded geotechnical specialist in Singapore and Southeast Asia. He holds a PhD from the University of Sheffield, UK and has delivered 25 keynote and guest lectures at international conferences and published more than 200 technical papers. He has also served as consultant to over 100 major construction projects in the region. Professor Yong was President of the Southeast Asian Geotechnical Society and chairs several government advisory committee and professional committees. He has received many awards including the Public Administration Medal, the Public Service Medal and Public Service Star in 2000, 2004 and 2008 respectively. He is a Fellow of the Institution of Engineers, Singapore, an Accredited Adjudicator and a member of Singapore Institute of Directors. He is a registered Professional Engineer in Singapore.

As our Group's businesses are largely related to geotechnical engineering and ground engineering, Professor Yong, through his expertise in the geotechnical field, would be able to provide our Group with invaluable guidance and strategic business direction. Professor Yong would be able to share his experience and professionalism in the geotechnical field with our Group which will help to ensure that our Group continues to provide high quality professional geotechnical services as a reputable specialist engineering firm in Singapore and the region. In addition, given Professor Yong's past experience and established business network as a consultant in major construction projects, this will be useful to our Group's future plans to expand our business in the region.

Professor Yong is currently also a Non-Executive Chairman and an independent director of BBR Holdings (S) Ltd and a board and executive committee member of the Land Transport Authority.

Dr Jeffrey Wang
Managing Director

Dr Jeffrey Wang is our Managing Director appointed as a Director on incorporation. 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 20 years of experience in geotechnical engineering. He has published many technical papers in geotechnical engineering. Dr Wang is a Fellow member of the Chartered Management Institution (CMI), UK and is a registered professional engineer. He holds a PhD from the Chinese Academy of Sciences (where he was awarded the Minister Award of Chinese Academy of Sciences in recognition of his outstanding performance) and a PhD from the National University of Singapore. In September 2007, Dr Wang was awarded the Best Entrepreneur Award for Faculty of Engineering by the National University of Singapore.

Dr Cai Jungang
Executive Director

Dr Cai Jungang is our Executive Director appointed as a Director on 9 June 2008. He is in charge of supervision of our Specialist Engineering Services. Before he was employed by our Group in 2003, he was a research scholar and then research fellow in the Nanyang Technological University. Dr Cai has 15 years of R&D and engineering experience, published more than 100 technical books and papers in scientific journals and conference proceeding, and has been involved in many underground facility projects in Singapore. Dr Cai is a senior member of the Institute of Engineers, Singapore (MIES). He had been the secretary general of Singapore National Group of international Society for Rock Mechanics from 2000 to 2005, and is currently the committee member of Society for Rock Mechanics and Engineering Geology (Singapore). Dr Cai holds a MEng and PhD from the Nanyang Technological University of Singapore. He is the spouse of Ms Bi Xiling, our Executive Officer.

Dr Loh Chang Kaan
Executive Director

Dr. Loh Chang Kaan is our Executive Director appointed as a Director on 9 June 2008. He is in charge of supervision of our Ground and Structural Engineering Services Division. Before he joined our Group in 2000 as a Director, 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 MEng and PhD from the National University of Singapore.

Mr Lim Yeok Hua
Independent Director

Mr Lim Yeok Hua is our Independent Director appointed as a Director on 9 June 2008. Mr Lim has extensive experience in audit, tax, merger and acquisition and financial management and consultancy, having spent more than 17 years with the Inland Revenue Authority of Singapore and three international and local accounting firms before running his own public accounting practice from 1992 to 1999. Mr Lim presently runs his own management consultancy firm and is currently also an independent director of Manufacturing Integration Technology Ltd ("MIT") which is listed on the main board of the SGX-ST.

Between 1999 to 2005, Mr Lim was the chairman of the audit and remuneration committee of MIT and he is currently the chairman of its nominating committee. Mr Lim is a fellow member of the Association of Chartered Certified Accounts, UK, a member of the Singapore Institute of Certified Public Accountants and a member of the Singapore Institute of Directors.

Mr Aw Eng Hai
Independent Director

Mr Aw Eng Hai is our Independent Director appointed as a Director on 4 September 2009. Mr Aw is a public accountant and a partner of Foo Kon Tan Grant Thornton LLP where he is in charge of the various departments providing specialist advisory services. He has more than 11 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 practicing member of the Institute of Certified Public Accountants of Singapore (ICPAS), 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.

Key Management of the Group

Ms Priscilla Mui Siew Yun
Financial Controller
Tritech Group Limited

Ms Priscilla Mui Siew Yun was appointed the Financial Controller of our Group with effect from 1 July 2011. She is responsible for the finance, accounting, taxation and compliance matters relating to our Group's operations. She joined our Group in 2005. Prior to that, she was an Accounts Controller at a civil engineering company listed on the SGX-ST. She has over 21 years of experience in the fields of accountancy and financial management. She is a member of the Association of Chartered Certified Accountants.

Dr Tan Guan Hong
Managing Director,
SysEng (S) Pte Ltd

Dr Tan Guan Hong is the Managing Director of our subsidiary, SysEng (S) Pte Ltd which he founded in 1994 to develop Automated Measurement Systems for application in various industries. Dr Tan is responsible for all aspects of SES's day-to-day operations. Prior to starting SES, Dr Tan worked at Philips Singapore, where he held a progression of management positions from 1980 to 1993.

Dr Tan obtained his PhD in 1979. He has published numerous technical papers on automated remote monitoring systems and presented at international professional conferences to share his experiences of machine-to-machine technologies. Dr Tan is currently the Vice-President of Singapore Industrial Automation Association (SIAA) and the Chairman of the SIAA-M2M program.

Dr Lim Ken Chai
Executive Director
Tritech Consultants Pte Ltd

Dr Lim Ken Chai is an Executive Director of our subsidiary, Tritech Consultants and is responsible for its business operations, including marketing, R&D, design work and master planning. A registered professional engineer in Singapore, Dr Lim has extensive experience in deep excavation, tunneling, ground movement analysis, soil structure numerical analysis, instrumentation interpretation, environmental baseline reporting and impact assessment. He has done advanced research in the area of iterative solvers for large scale predictive analysis, a technology that is currently being developed by our Group for commercial purposes. Prior to joining our Group in 2004, Dr Lim was a senior engineer at Jurong Consultants Pte Ltd.

Dr Lim holds a PhD from the National University of Singapore. He is a committee member of the Institute of Engineers Singapore (Geotechnical and Transportation Division), a technical committee member for Singapore Laboratory Accreditation Scheme and a member of the South East Asia Geotechnical Society. Dr Lim was nominated to represent Singapore at the prestigious 3rd Young International Geotechnical conference held in Osaka in 2005.

Dr Hong Sze Han
Associate
Tritech Consultants Pte Ltd

Dr. Hong Sze Han is an Associate of our subsidiary, Tritech Consultants - Special Geotechnical Division. He joined our Group in 2005 and is presently working as a geotechnical consultant carrying out a comprehensive study of existing slopes under the care of the National University of Singapore's Office of Estate and Development and The National Parks Board.

Dr Hong holds a PhD from the National University of Singapore. He has experience in the specialised field of rock tunnel construction and participated in the design of large underground ammunition facilities in rock from 2001 to early 2005.

Er Liang Foo Jee
Director
Tritech Consultants Pte Ltd

Er Liang Foo Jee is a Director of our subsidiary, Tritech Consultants and is responsible for the execution of its professional engineering works. Prior to joining our Group in 2000, Er Liang practiced as a professional engineering consultant for two years and was the Principal Civil Engineer with the Housing Development Board for approximately 30 years, where he was widely involved in design and construction of infrastructures as well as superstructures. Er Liang holds a Master of Science (Construction) in 1977 from the University of Singapore and has been a registered Professional Engineer in Singapore since 1973. He was awarded the Public Administration Medal in 1985 and the Long Service Medal by the President of Singapore in recognition of his contributions. Er Liang is a member of the Institution of Civil Engineer and Chartered Engineer in England.

Mr Poh Ye Kong
General Manager
SysEng (S) Pte Ltd

Mr Poh Ye Kong is the General Manager of our subsidiary, SysEng (S) Pte Ltd. Mr. Poh has 16 years of industrial experience and he was the person in charge of the business development for the Real Time Monitoring and Alert Systems (RTMAS) which is used during the construction period of tunnels, bridges and buildings under construction period, and long term Structural Health Monitoring System (SHMS) for all critical buildings. Mr Poh holds a Bachelor Degree in Electronic and Electrical Engineering from the Nanyang Technology University and Member of Geotechnical Society Singapore.

Ms Bi Xiling
Technical Director
Tritech Consultants Pte Ltd

Ms Bi Xiling is a technical director of our subsidiary, Tritech Consultants and is responsible for the technical aspects of its specialist engineering works. She joined our Group in 2006. Prior to that, she was civil/structural engineer with various firms in Singapore, and a lecturer and consultant in the civil/structural engineering department at the Northern Jiaotong University in the PRC. Ms Bi holds a Masters in Civil Engineering from the Northern Jiaotong University in the PRC. She is the spouse of Dr Cai Jungang, Executive Director of Tritech Group.

Dr Huang Mingzhi
Director
Tritech Engineering & Testing (S) Pte Ltd

Dr. Huang Mingzhi is a Director of our subsidiary, Tritech Engineering and Testing. He is responsible for the management of our Survey Division. Dr Huang graduated from Tongji University and Wuhan Technical University of Surveying and Mapping in the PRC, majoring in Land Surveying and Geographical Information Systems. A Registered Surveyor Singapore, he is currently a member of the Royal Institution of Chartered Surveyors (RICS, UK) and the Singapore Institute of Surveyors and Valuers.

Mr Kuan Keng Mun
General Manager
Tritech Instruments Pte Ltd

Mr. Kuan Keng Mun, MSc (UMIST) General Manager of Tritech Instruments. Mr Kuan graduated with Master of Science (Control Eng. and IT) from University of Manchester, UK (UMIST) in 1994. He is a specialist in electronic engineering, factory testing systems, and product design, especially for wireless instrumentation.

Key Management of the Group

Mr Xie Shu Ben
Deputy General Manager
Beijing Wisetec Technologies Co., Ltd.

Mr Xie Shu Ben is the Deputy General Manager of our Subsidiary, Beijing Wisetec Technologies Co., Ltd and is responsible for the management of its membrane production factory. He joined our group in December 2009. Mr Xie has over 31 years of experience in management, factory planning, production and manufacturing processes. He has worked in a large PRC state-owned factory for more than 20 years and as a manager of the construction division at one of the largest steel companies in the PRC for 14 years.

Ms Wu Ling
Business Representative in PRC & Deputy General Manager
Tritech (Qingdao) Membrane Industry Co., Ltd.

Ms Wu Ling has been a business representative for our Group in the PRC since 2007. As the Deputy General Manager of Tritech Qingdao she is also responsible for the planning and construction of factories related to our Group's water treatment business in the PRC. Ms Wu has extensive management experience in companies involved in the mining, hotel and resort businesses. She holds a Master of Business Administration from Beihang University in the PRC.

Adrian Lai **Albert Lee** **Ang Wee Boon** **Choo Chun Keong**

Chow Weng Cheong **Elsie Wee** **Emily Aw** **Gao Jiansheng**

Gong Zhao **Kelvin Zhang** **Li Xiaoming** **Luo Zhuo Biao** **Scott Cheng**

Serena Ng **Tom Mao** **Wang Yulong** **Yong Swee Yoon** **Zhang Xihu**

The expertise, experience and committment of our people are fundamental to the Group's growth and sustainability in the long term.

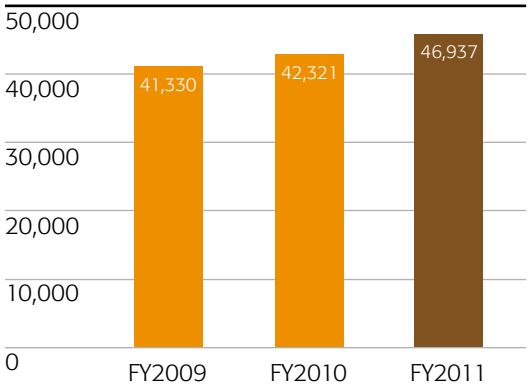
TriTech

TRITECH GROUP LIMITED ANNUAL DINNER 2011

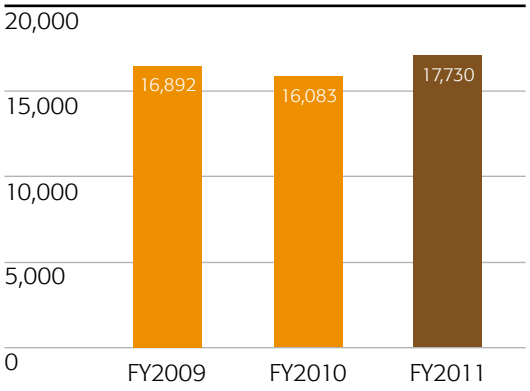
Our people form the cornerstone of Tritech Group's foundation and have proven critical to our success over the years.

Group Financial Highlights

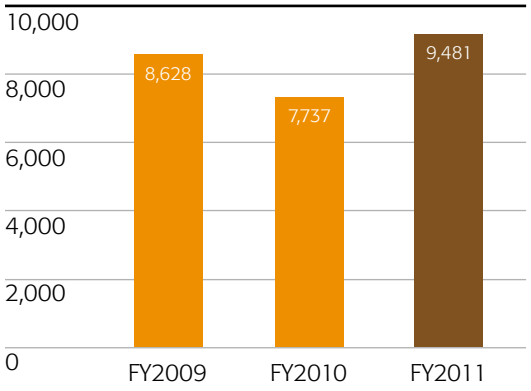
Consolidated Revenue
(S$'000)



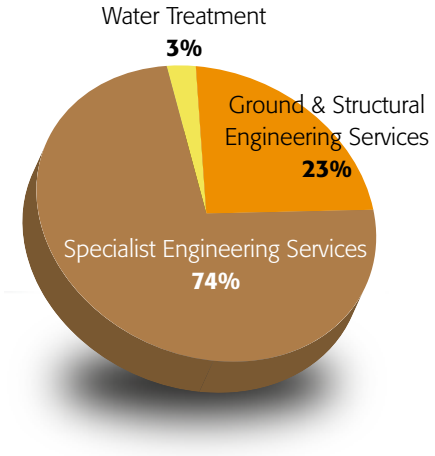
Consolidated Gross Profit
(S$'000)



Consolidated Profit before income tax
(S$'000)



FY 2011 Revenue by Business Segments %



	2011 $'000	2010 $'000	2009 $'000
At Balance Sheet Date			
Total Assets	**88,241**	52,019	38,045
Total Liabilities	**25,556**	12,457	11,710
Shareholders' Funds	**62,685**	39,561	26,275
Per Ordinary Share (cents)			
Earnings per share	**3.44**	2.97	4.04
Financial Indicators			
Revenue growth (%)	**10.9%**	2.4%	32.1%
Return on shareholders' funds (%)	**13.3%**	16.2%	26.7%
Return on total assets (%)	**9.5%**	12.3%	18.4%
Profit before income tax margin	**20.2%**	18.3%	20.9%
Net profit margin	**17.8%**	15.1%	17.0%

Corporate Information

BOARD OF DIRECTORS
Professor Yong Kwet Yew
(Non-Executive Chairman and Independent Director)
Dr Wang Xiaoning (Jeffrey Wang)
(Managing Director)
Dr Cai Jungang
(Executive Director)
Dr Loh Chang Kaan
(Executive Director)
Mr Lim Yeok Hua
(Independent Director)
Mr Aw Eng Hai
(Independent Director)

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

AUDIT COMMITTEE
Mr Lim Yeok Hua *(Chairman)*
Professor Yong Kwet Yew
Mr Aw Eng Hai

REMUNERATION COMMITTEE
Professor Yong Kwet Yew *(Chairman)*
Mr Lim Yeok Hua
Mr Aw Eng Hai

COMPANY SECRETARY
Lee Pih Peng, MBA, LLB

REGISTERED OFFICE
2 Kaki Bukit Place #07-00
Tritech Building
Singapore 416180
Tel: (65) 6848 2567
Fax: (65) 6848 2568

SHARE REGISTRAR AND SHARE TRANSFER OFFICE
Boardroom Corporate & Advisory Services Pte. Ltd.
3 Church Street #08-01
Samsung Hub
Singapore 049483

AUDITORS AND INDEPENDENT AUDITORS
BDO LLP
Public Accountants and Certified Public Accountants
19 Keppel Road #02-01
Jit Poh Building
Singapore 089058
Partner-in-charge: Leong Hon Mun Peter
(Appointed since the financial year ended 31 March 2010)

PRINCIPAL BANKERS
Standard Chartered Bank
Marina Bay Financial Centre (Tower 1)
8 Marina Boulevard, Level 24
Singapore 018981

Oversea-Chinese Banking Corporation Limited
65 Chulia Street #29-00
OCBC Centre
Singapore 049513

DBS Bank
6 Shenton Way
DBS Tower One
Singapore 068809

Risk Factors and Management

The Group's operations are influenced by a myriad number of risk factors. Some of these may not only affect our businesses but other industries as well. These risks vary widely and some are not within the control of our Board and the Management.

Economic Risks

We are exposed to the cyclical fluctuations of the economies where the Group operates in, namely Singapore, Malaysia and the PRC. A downturn in these economies may dampen general sentiments in the property and infrastructure markets and reduce construction demand, which may invariably have a material adverse effect on our business.

Industry Risk

As the products and services which we provide relate to building safety and design standards in connection to construction of buildings and infrastructural projects, we are subject to the relevant regulations, laws and policies in the markets we operate in. Any changes to applicable government policies may affect our business.

The Group's provision of specialist engineering services in Singapore is subject to licensing requirements, in particular the PE Act which governs the corporations which supply professional engineering services in Singapore. Our ability to obtain and remain licensed under the PE Act depends on our capacity to attract and retain sufficient qualified, registered professional engineers. As such, we are also dependent on our key management team and pool of professional and skilled employees for our continued success and growth.

Our Group's ability to tender for public projects in Singapore is also dependent on our ability to obtain the required certifications and grading from the Expenditure and Procurement Policies Unit (EPPU) of the Ministry of Finance and the Building and Construction Authority. Nevertheless, our Group believes that our focus on providing clients with high quality services that meet their requirements and applicable regulations, via our quality management systems which are developed and carried out based on the respective ISO and OHSAS international standards, will help to ensure that the Group continues to obtain such required certifications.

Project Risk

The projects that we are involved in may be delayed or prematurely terminated by some of our customers due to unforeseen circumstances, changes in their business plans or insufficient funding. To mitigate this risk, our contracts for ground & structural engineering services usually include a provision for compensation payable to us in the event of such premature terminations. This usually provides for us to be compensated for the costs of demobilisation arising from the premature termination.

We may also encounter disputes with our customers in relation to non-compliance with contract specifications, defects in workmanship and materials used, which may result in additional costs. However, our Group has not encountered significant disputes with our customers historically, thanks to our quality products and services. We believe that our ability to provide such quality products and services due to our stringent quality control procedures throughout various stages will minimise this risk.

Our Group may also be exposed to project cost overruns due to unforeseen circumstances such as unanticipated price fluctuations in the cost of equipment and manpower. To reduce this risk, our projects managers are required to carefully evaluate the scope of work, estimated labour and material costs, and all related costs including suppliers and sub-contractors before determining the contract value to be quoted on the tender submission for projects.

In addition, due to the tight labour supply in Singapore, foreign workers account for approximately 45% of our total number of employees in Singapore. Any change in government policies which restrict the employment of foreign workers in Singapore and/or increase the levies on the employment of foreign workers may adversely affect our operations.

Competitive Risk

Our Group faces competition in the businesses which we operate in, namely the Specialist Engineering Services and Ground & Structural Engineering Services. Our success depends on our ability to compete effectively against our existing and potential competitors by maintaining and generating customer patronage and loyalty by consistently delivering quality and value-added services within the scheduled time frame. We believe we have the technical capabilities and know-how, qualified management team, established track record and strong business relationships to tackle these risks and continue with our success.

Risk Factors and Management

Liability Risk

Due to the nature of our operations, there is a risk of injury or death occurring either to our employees or third parties, or resulting in loss or damage to properties. These may occur as a result of worksite accidents, mishaps or negligence.

In our supply of specialist engineering and ground & structural engineering products and services, there may be claims, demands or proceedings brought or alleged against us for negligence of advice or services rendered, defective products or faulty designs.

Our Group may also be exposed to fines, penalties or other sanctions due to negligence or non-compliant with workplace safety or regulatory requirements which result in injury, death, loss or damage to properties.

We have insurance policies to cover us from claims arising from general risks, property damage, third party liability, professional indemnity, workmen compensation, and other relevant insurance policies. Our Directors believe that these insurance policies are adequate for our business and operations and will review our coverage annually.

Foreign Exchange Risk

Our revenue and purchases are denominated mainly in S$, which is also our reporting currency. However, due to the expansion of our operations in Malaysia and the PRC, we may need to increasingly transact in other currencies such as RM and RMB in the future.

We currently employ natural hedging resulting by matching the currency of our revenue to our purchases and costs as far as practicable. The need for a fixed hedging policy will be reviewed regularly, taking into consideration the volume of our foreign currency denominated transactions.

Credit Risk

Credit risk is managed through the assessment of the prospective customer's financial background or prospective project's payment schedule, as well as setting of credit limits, appropriate terms of payments and monitoring procedures.

For public sector projects, the relevant government bodies set the payment terms and progress payment schedule. Our Group will assess the payment terms and progress payment schedule and ensure they are appropriate for our business operations before we submit our bid for such projects.

For private sector projects, our Group will assess the prospective customer's financial background and the size of the project to determine the appropriate terms of payment. Our Group may require our private sector customers to provide letters of credit to guarantee a major portion of the contract value when our Group undertakes projects for them.

In the last three years, a substantial portion of our projects involved progressive billing according to the stages of project completion, pursuant to the terms of the contract. We extend credit terms of between 30 and 60 days to our customers for projects which involve progressive billing.

Liquidity Risk

The objective of liquidity management is to ensure that the Group has sufficient funds to meet our contractual and financial obligations. To manage liquidity risk, our Group monitors our net operating cash flow and maintains a level of cash and cash equivalents deemed adequate by management for working capital purposes. Where need be, we may obtain additional financing by tapping the debt or equity capital markets to fund future capital expenditure.

Corporate Governance Report

This Corporate Governance Report encompasses the reports of the Audit Committee, the Nominating Committee and the Remuneration Committee of Tritech Group Limited ("Board Committees"). The reports of the Board Committees would be reviewed and considered by each committee at their respective meetings prior to the Board Meeting.

Tritech Group Limited (the "Tritech" and together with its subsidiaries, the "Group") believes that it is important to establish good corporate governance within the Group as this provides the foundation for a well-managed and efficient organisation that can in turn focus on sustaining good business performance and safeguarding the interests of its Shareholders. The Directors are committed to developing and upholding high standards of corporate governance, guided by the principles and guidelines of the Singapore Code of Corporate Governance 2005 (the "Code") issued by the Singapore Council on Corporate Disclosure and Governance. In this Report, we set out the principles, policies and practices of corporate governance which the Group has adopted in line with the principles and guidelines of the Code.

BOARD MATTERS

Board's Conduct of its Affairs

Our Board of Directors (the "Board") is responsible for the overall management of our Company and is collectively responsible for the success of the Company. Profiles of the Directors are set out on pages 10 to 11.

All Directors objectively take decisions in the interests of the Company. Apart from statutory responsibilities, the Board's role is to, among other things, provide entrepreneurial leadership, set strategic aims and ensure that the necessary financial and human resources are in place for the Company to meet its objectives, establish a framework of controls for risk-assessment and risk-management, review management performance, set the company's values and standards, and ensure that obligations to Shareholders and others are understood and met, review the financial performance of the Group and review and approve major commitments relating to the Group's operations and major corporate policies.

The Board assumes responsibility for the Company's compliance with the guidelines on corporate governance. To assist the Board in the execution of its responsibilities, the Board delegates specific responsibilities to the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). Each Board Committee has its own terms of references to address their respective areas of focus and reports its activities regularly to the Board. Specific descriptions of these Board Committees are set out in this Report. The effectiveness of each committee is also constantly reviewed by the Board.

Matters which require the Board's approval include material acquisitions and disposal of assets, corporate or financial restructuring, shares issuances and dividend payments, and financial results and corporate strategies.

The Board meets on a regular basis to review the Group's internal policies and procedures, investments and divestments and the performance of the business, consider corporate governance matters, approve the release of the half and full year results and deliberate on other transactions and matters. The Board also holds meetings when warranted by particular circumstances, as deemed appropriate by Board members. Non-executive Directors are encouraged to meet regularly without the Management's presence.

The Company's Articles of Association are sufficiently flexible and allow Board meetings to be conducted by way of telephone or video conference.

Corporate Governance Report

BOARD MATTERS (Continued)

Board's Conduct of its Affairs (Continued)

During the financial year under review, the number of Board and Board Committee meetings held and the attendance of each Board member at the meetings were as follows:

Period from 1 April 2010 to 31 March 2011

Board / Board Committees	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	2	3	1	1
Name of Director				
Wang Xiaoning	2	2	1	1
Cai Jungang	2	3	1	1
Loh Chang Kaan	2	3	1	1
Yong Kwet Yew	2	3	1	1
Lim Yeok Hua	2	3	1	1
Aw Eng Hai	2	3	1	1

Upon the appointment of a new Director, the Company will provide him with a formal letter, setting out his duties and obligations. Orientation programmes for new Directors are conducted to familiarise them with the business activities of the Group, its strategic plans, direction and corporate governance practices. The Directors will, from time to time, attend seminars and briefing sessions to enable them to keep pace with regulatory changes, where changes to regulations and accounting standards have a material bearing on the Company.

The Board is updated regularly on risk management, corporate governance and key changes in the relevant regulatory requirements and financial reporting standards.

Board Composition and Guidance

In line with the Code, the policy of the Group is to have an appropriate mix of executive and independent Directors to maintain the independence of the Board.

The Board consists of six (6) members, three (3) executive Directors, namely Dr Wang Xiaoning, Dr Cai Jungang and Dr Loh Chang Kaan, and three (3) independent Directors, namely Professor Yong Kwet Yew, Mr Lim Yeok Hua and Mr Aw Eng Hai, thereby fulfilling the Code's recommendations that independent Directors make up at least one-third of the Board.

The independence of each Director is reviewed annually, and upon notification by a Director of a change in circumstances, by the NC based on the criteria of independence defined in the Code. The NC will recommend to the Board as to whether the Director is considered independent.

Corporate Governance Report

BOARD MATTERS (Continued)

Board Composition and Guidance (Continued)

The NC is satisfied as to the independence of Professor Yong Kwet Yew, Mr Lim Yeok Hua and Mr Aw Eng Hai, all of whom have confirmed that they do not have any relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere with the exercise of their independent business judgement with a view to the best interest of the Company.

The Board will constantly examine its size and, with a view to determining the impact of the number upon effectiveness, decide what is considered an appropriate size for the Board, which facilitates effective decision-making. The Board considers its current size appropriate based on the Company's present circumstances and taking into account the nature and scope of the Group's businesses and operations.

The Board also considers that its Directors possess the necessary competencies to lead and govern the Company effectively.

Chairman and Chief Executive Officer

There is a clear division of responsibilities between the Chairman and the Chief Executive Director, which ensures there is a balance of power and authority, and that accountability and independent decision-making are not compromised.

The Group's policy is to have a separate Chairman and Managing Director in order to provide an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. Professor Yong Kwet Yew is the Non-Executive Chairman and Dr Wang Xiaoning is the Managing Director of the Company.

The Chairman, who is independent and non-executive, is responsible for the management of the Board and leads the Board in its oversight of the Management. He plays an important role in encouraging constructive relations between the Board and the Management; and between the executive Directors and non-executive Directors. He also assumes the formal role of an independent leader that chairs all Board meetings and ensures effective communication between the Board and the Management with shareholders at shareholders' meetings. In consultation with the Managing Director, the Chairman approves meeting schedules of the Board, the agenda for Board meetings and is advised on the meetings of the Board Committees. The Chairman is also responsible for promoting high standards of corporate governance within the Group.

The Managing Director has full executive responsibilities in the business directions and operational efficiency of the Group. He oversees execution of the Group's corporate and business strategies and is responsible for the day-to-day running of the business.

Both the Chairman and the Managing Director are not related to each other. The Board is of the view that there are sufficient safeguards and checks that the process of decision making by the Board is independent and based on collective decisions, without any individual or groups of individuals exercising any considerable concentration of power or influence.

Corporate Governance Report

BOARD COMMITTEES

To assist the Board in the execution of its duties, the Board has delegated specific functions to the following committees:

Nominating Committee

Board Membership

The NC comprises four (4) Directors, namely, Professor Yong Kwet Yew, Chairman of the NC, Mr Lim Yeok Hua, Mr Aw Eng Hai and Dr Wang Xiaoning, the majority of whom, including the Chairman, are independent. The NC Chairman is an independent non-executive Director who is not directly associated with any substantial shareholder of the Company.

The NC is guided by its terms of reference, which sets out its functions and responsibilities. Its principal functions are to review and recommend to the Board all appointments, re-appointments and re-elections of Directors, to evaluate the effectiveness and performance of the Board and to review the independence of each Director annually.

In evaluating the effectiveness and performance of the Board as a whole, the performance criteria which the NC uses include performance criteria and evaluation procedures as elaborated in the section below on "Board Performance".

The NC considers the appropriate characteristics, skills and experience of the Board as a whole as well as its individual members. The search and nomination process for new Directors, if any, will be through contacts and recommendations that go through the normal selection process to cast its net as wide as possible for the right candidate. Upon the review and recommendation of the NC to the Board, new Directors will be appointed by way of passing a board resolution.

All Directors are subject to re-nomination and re-election at regular intervals of at least once every three (3) years. At each Annual General Meeting (the "AGM"), at least one-third of the Directors are required to retire and to submit themselves for re-election. The Company's Articles of Association also provide that a newly appointed Director must retire and submit himself for re-election at the next AGM following his appointment. In addition, Directors above the age of 70 are required under the Companies Act, Chapter 50 (the "Companies Act") to retire and offer themselves for re-appointment by Shareholders at every AGM.

The NC recommended to the Board that Dr Loh Chang Kaan and Mr Lim Yeok Hua be re-elected at the forthcoming AGM. Mr Lim Yeok Hua will, upon re-election as a Director of the Company, remain as the Chairman of the AC and a member of the NC and RC.

In making the recommendation, the NC had considered the Directors' overall contribution and performance.

Internal guidelines have been established to address the competing time commitments faced by Directors due to multiple board representations, as elaborated below. The Directors' attendance at Board and Board Committee meetings are set out on page 22.

Board Performance

The Board has implemented a process to be carried out by the NC to assess the performance and effectiveness of the Board as a whole. The Board, together with the NC has decided that, due to the relatively small size of the Board and given the background, experience and expertise of each Director, it would not be necessary to evaluate the individual performance of each Director.

Corporate Governance Report

BOARD COMMITTEES (Continued)

Nominating Committee (Continued)

The NC has recommended to the Board and the Board has adopted performance criteria and evaluation procedures for evaluation and assessment of the effectiveness of the Board, including any recommendation in respect of the re-nomination of Directors (if applicable). The evaluation parameters include evaluation of the size and composition of the Board, the Board's access to information and the Board's processes and accountability. The Board will also be evaluated on the attendance of Directors at Board and Board Committee meetings, the effectiveness of discussions at such meetings and the discharge of the Directors' duties in relation to the affairs of the Group. Each member of the NC will abstain from making any recommendations and/or participating in any deliberation of the NC and from voting on any resolutions in respect of the assessment of his own performance or re-election as a Director.

The Board is of the opinion that the financial indicators or performance criteria such as return on equity or return on assets as set out in the Code are less appropriate for assessment of non-executive Directors and the Board's performance as a whole.

In addition, the NC will assess if a Director has adequate time and attention to devote to the Company, in the case of Directors with multiple board representations. Although some of the Directors have other board representations, the NC is satisfied that each Director is able to devote adequate time and attention to the affairs of the Company to fulfil his duties as a Director of the Company.

The performance criteria will not be changed from year to year but where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such decision.

On an annual basis, each Director will assess the effectiveness and performance of the Board as a whole based on the performance criteria and evaluation parameters adopted by the Board. The NC has assessed the Board's performance to-date and is of the view that the performance of the Board as a whole was satisfactory. The Chairman of the Company, in consultation with the NC, would evaluate and act on the results of the assessment and where appropriate, propose new Directors to be appointed to the Board or seek the resignation of Directors.

Access To Information

The Company fully recognises the importance of providing the Board with complete, adequate and timely information prior to its meetings and as and when there are affairs and issues that require the Board's decision. As a general rule, Board and Board Committee papers are distributed a week in advance of each meeting to the Directors.

In order to ensure that the Board is able to fulfill its responsibilities, the Management provides the Board with background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets, forecasts and monthly internal financial statements. In respect of budgets, any material variance between the projections and actual results are also disclosed and explained.

The Board has separate and independent access to the Company's senior management and the Company Secretary at all times. The members of the management team and the personnel of the Group shall be obliged to attend meetings of the Board and to provide assistance and access to information when the Board so requests.

Corporate Governance Report

BOARD COMMITTEES (Continued)

Nominating Committee (Continued)

In the furtherance of its duties, the Board may obtain independent professional advice. The Company Secretary will, upon direction by the Board, appoint a professional advisor to render the advice, with cost to be borne by the Company.

The Company Secretary or its representatives attend all Board and Board Committee meetings and ensures that all Board procedures are followed. The Company Secretary also advises the Company on compliance with the requirements of the Companies Act, Listing Manual Section B: Rules of Catalist of the SGX-ST ("Rules of Catalist") and all other rules, regulations and governance matters which are applicable to the Group.

Under the direction of the Chairman, the Company Secretary ensures good information flows within the Board and its Board Committees and between them and senior management.

The appointment and removal of the Company Secretary is a matter for consideration by the Board as a whole.

REMUNERATION MATTERS

Remuneration Committee

Procedures for Developing Remuneration Policies
Level and Mix of Remuneration
Disclosure on Remuneration

The RC comprises three (3) Directors, all of whom are independent non-executive Directors. The RC members are Professor Yong Kwet Yew, Chairman of the RC, Mr Lim Yeok Hua and Mr Aw Eng Hai.

The RC is guided by its terms of reference, which sets out its functions and responsibilities. It is the RC's responsibility to recommend to the Board a framework of remuneration and the specific remuneration packages for the Directors. The RC's recommendations are submitted for endorsement by the entire Board. The RC covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind. The RC will also review the remuneration of senior management.

In setting remuneration packages, the RC takes into account what is appropriate to attract, retain and motivate the Directors to run the Company successfully, the performance of the Group, as well as individual Directors and key executives, aligning their interest with those of shareholders and linking rewards to corporate and individual performance. In its deliberations, the RC takes into account industry benchmarks and norms in compensation.

The Independent Directors do not have service agreements with the Company. They are paid fixed directors' fees, which are determined by the RC and approved by the Board, appropriate to their level of contribution, taking into account factors such as effort and time spent, and their responsibilities.

The Company had entered into service agreements with the three executive Directors, Dr Wang Xiaoning, Dr Cai Jungang and Dr Loh Chang Kaan on 9 June 2008 governing the terms and conditions of their employment by the Company.

Corporate Governance Report

REMUNERATION MATTERS (Continued)

Remuneration Committee (Continued)

If necessary, the Remuneration Committee will seek expert advice inside and/or outside the Company on remuneration of the Directors. All Directors' fees are approved by shareholders at the AGM of the Company before they are paid. No Director is involved in deciding his own remuneration.

The level and mix of the Directors' remuneration in remuneration bands of S$250,000 for the financial year ended 31 March 2011 are set out below:

	Directors' Fee (%)	Fixed Salary (%)	Bonus (%)	Benefits* (%)	Total (%)
Executive Directors					
S$500,000 to S$749,999					
Dr Wang Xiaoning	-	54.0	41.9	4.1	100
S$250,000 to S$499,999					
Dr Cai Jungang	-	54.5	40.2	5.3	100
Dr Loh Chang Kaan	-	55.1	40.6	4.3	100
Non-Executive Directors					
Below S$250,000					
Professor Yong Kwet Yew	100	-	-	-	100
Mr Lim Yeok Hua	100	-	-	-	100
Mr Aw Eng Hai	100	-	-	-	100

** Includes mainly employers' contributions to the Central Provident Fund and insurance.*

Annual remuneration of the top five key executives who are not Directors in remuneration bands of S$250,000 for the financial year ended 31 March 2011 is set out below:

	Fee (%)	Fixed Salary (%)	Bonus (%)	Benefits (%)	Total (%)
Below S$250,000					
Dr Tan Guan Hong	-	72.9	25.4	1.7	100
Dr Lim Ken Chai	-	71.1	17.5	11.4	100
Dr Hong Sze Han	-	78.9	13.0	8.1	100
Priscilla Mui Siew Yun	-	77.8	13.2	9.0	100
Bi Xiling	-	77.5	12.4	10.1	100

No employee of the Company and its subsidiaries, whose remuneration exceeded S$150,000 during the financial year ended 31 March 2011, was an immediate family member of a Director or the Managing Director. "Immediate family" means the spouse, child, adopted child, step-child, brother, sister and parent.

Corporate Governance Report

REMUNERATION MATTERS (Continued)

Remuneration Committee (Continued)

The Company has adopted an employee share option scheme named the "Tritech Group Employee Share Option Scheme" (the "Scheme") and an employee share award scheme known as the "Tritech Group Performance Share Plan" (the "Plan"), approved by Shareholders at the extraordinary general meeting held on 28 July 2010. The Scheme and the Plan are administered by a committee comprising of Directors who are members of the RC and duly authorised by the Board to administer the Scheme and the Plan.

ACCOUNTABILITY AND AUDIT

Accountability

The Board is responsible for providing a balanced and understandable assessment of the Company's performance, position and prospects. This responsibility extends to interim and other price-sensitive public reports, and reports to regulators (if required).

In presenting the half and full year financial results to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Company's financial position and prospects.

The Management currently provides the Board with management accounts of the Group's performance, position and prospects on a timely basis.

Audit Committee

The AC comprises three (3) Directors, all of whom are independent non-executive Directors. The AC members are Mr Lim Yeok Hua, Chairman of the AC, Professor Yong Kwet Yew and Mr Aw Eng Hai.

The Board is of the view that the members of the AC have sufficient accounting and financial management expertise and experience to discharge the AC's functions.

The Board has approved the written terms of reference of the AC. Its functions are as follows:

(a) assist the Board in fulfilling its responsibilities in respect of the Company's accounting policies, internal controls and financial reporting practices to safeguard shareholder's investments and Group's assets;

(b) monitor management's commitment to the establishment and maintenance of a satisfactory control environment and an effective system on internal control (including any arrangements for internal audit);

(c) maintain a channel of communication between the Board, the Management and the internal and external auditors on matters arising out of the internal and external audits and to consider the adequacy of arrangements for audit;

(d) monitor and review the scope and results of external audit and its cost effectiveness and the independence and objectivity of the external auditors;

Corporate Governance Report

ACCOUNTABILITY AND AUDIT (Continued)

Audit Committee (Continued)

(e) review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to Management and the Management's response;

(f) review the half and annual financial statements and half year and full year results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major financial risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Rules of Catalist and any other relevant statutory or regulatory requirements;

(g) discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss without the presence of Management;

(h) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules of regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

(i) consider and recommend the appointment or re-appointment and matters relating to the resignation or dismissal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(j) review interested persons transactions falling within the scope of Chapter 9 of the Rules of Catalist;

(k) review potential conflict of interests;

(l) review and evaluate the Group's administrative, operating and internal accounting controls and procedures; and

(m) generally undertake such other functions and duties as may be required by statute or the Rules of Catalist, or by such amendments as may be made thereto from time to time.

The AC is empowered to investigate any matters within its terms of reference and has full access to, and the co-operation of the Management. In addition, the AC has independent access to the external auditors. The AC meets with the external auditors without the presence of management to review matters that might be raised privately. The AC has reasonable resources to enable it to discharge its function properly and full discretion to invite any Director or executive officer to attend its meetings. The minutes of the AC meetings are regularly submitted to the Board.

The AC has reviewed the volume and nature of non-audit services to the Group by the external auditors (details on page 31), and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, is pleased to recommend the re-appointment of BDO LLP as external auditors.

The Company has in place a Whistleblowing Policy which serves to encourage and provide a channel to employees to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters to the Chairman of the AC. The objective of such arrangement is to ensure independent investigation of such matters and for the appropriate follow-up action(s) and resolution.

Corporate Governance Report

ACCOUNTABILITY AND AUDIT (Continued)

Internal Controls

The Company has instituted a system of internal controls for the Group. While no system can provide absolute assurance against material loss or financial misstatement, the Group's internal financial controls are designed to provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained, and that financial information used within the business and for publication is reliable. In designing these controls, Management has had regard to the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against such risks.

The Board has in place a set of internal controls which sets out approval limits for expenditure, investments and divestments and cheque signatory arrangements. Approval sub-limits are also provided at management and committee levels to facilitate operational efficiency.

During the financial year under review, the Company's external auditors conducted the annual review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls as well as risk management policy. The AC has reviewed the effectiveness of the Group's system of internal controls in light of key business and financial risks affecting its business. Based on the reports submitted by the external auditors on the various controls put in place by the Management, the Board believes that, in the absence of any evidence to the contrary, there are adequate internal controls and risk management processes given the nature and size of the Group's operations and business.

Internal Audit

The Audit Committee is aware of the need to establish a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets and to manage risks. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislation, regulation and best practices and the identification and containment of business risks.

The internal audit function has been outsourced to Robert Tan & Co.

The scope of the internal audit is:

- to review the effectiveness of the Group's material internal controls;
- to provide assurance that key business and operational risks are identified and managed;
- to determine that internal controls are in place and functioning as intended; and
- to evaluate that operations are conducted in an effective and efficient manner.

The internal auditor's primary line of reporting is to the chairman of AC on audit matters and to the Managing Director on administrative matters.

The AC has reviewed with the internal auditor their audit plan for the financial year ended 31 March 2011. The AC is satisfied that the internal audit function is adequately resourced and has the appropriate standing within the Group.

Corporate Governance Report

ACCOUNTABILITY AND AUDIT (Continued)

Interested Person Transactions (Continued)

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are conducted on an arm's length basis and are not prejudicial to the interests of shareholders. All interested person transactions are subject to review by the AC to ensure compliance with established procedures.

The aggregate value of interested person transactions entered into during the financial year under review is as follows:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**
	As at 31 March 2011 S$'000	**As at 31 March 2011 S$'000**
Tritech International Holdings Pte. Ltd (1)	9,269,537.40 (1)	NA

(1) The aggregate value of interested person transactions during the financial year under review relates to S$221,400 for the rental proceeds paid to Tritech International Holdings Pte. Ltd. ("**Tritech International**"), the holding company of the Company, and the purchase consideration of S$9,048,137.40 (32,314,777 consideration cumulative preference shares at S$0.28) for the acquisition by the Company of Terratech Resources Pte. Ltd. from Tritech International.

(2) Pursuant to the acquisition of Terratech Resources Pte. Ltd., the parties have agreed on a profit incentive scheme, amounting to S$3,016,045.80 (20% of the Limestone Valuation of S$16,215,300) (the "**Contingent Consideration**"). For the purpose of the disclosure above, the Contingent Consideration was not included as it is conditional upon profit targets being met for the financial year ending 31 March 2012 and 31 March 2013.

Non-audit fees

The nature of these non-audit services that were rendered by our auditors, BDO LLP, to the Group and their related fees for the financial year ended 31 March 2011 is as follows:

Non-audit services	S$20,072

Non-sponsorship fees

The nature of non-sponsor services that were rendered by our Sponsor, PrimePartners Corporate Finance Pte. Ltd., to the Group and their related fees for the financial year ended 31 March 2011 is as follows:

Financial advisory services billed in relation to, inter alia, placement of shares, rights issue of warrants, and the acquisition of Terratech Resources Pte. Ltd.	S$137,500

Corporate Governance Report

ACCOUNTABILITY AND AUDIT (Continued)

Material Contracts

On 31 December 2010, the Company entered into a sale and purchase agreement with its holding company, Tritech International holdings Pte Ltd and Mr Chua Eng Pu in relation to the acquisition of an aggregate of 4,301,075 issued and paid-up ordinary shares in the capital of Terratech Resources Pte. Ltd., representing the entire issued and paid-up share capital of Terratech Resources Pte. Ltd. Details of the said agreement are contained in the Company's announcement on SGXNET dated 31 December 2010.

Save for the above, the service agreements between the Executive Directors and the Company and the employment contract between the Managing Director and the Company, there were no material contracts or loans entered into by or taken up by the Group involving the interest of any Director or controlling shareholder either still subsisting as at 31 March 2011 or if not then subsisting, entered into since the end of the previous financial year.

Risk Management

The Company does not have a Risk Management Committee. However, the Management frequently reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks as defined within the Company's policies and strategies. The significant risk management policies are as disclosed in the audited financial statements.

USE OF PROCEEDS

The proceeds raised from the rights issue of 59,145,755 warrants by the Company ("Rights Warrants Issue"), the exercise of warrants by certain warrantholders and the placement exercise of 8,220,000 shares by the Company during the financial year under review have been fully utilised by the Group according to their intended uses as follows:

	Allocated $'000	Utilised $'000
Rights Warrant Issue proceeds, net		
Expansion of Group's water-related business in the PRC	436	436
Exercise of warrants		
Expansion of Group's water-related business in the PRC	1,133	1,133
Placement proceeds, net		
Working capital and business expansion purposes, in areas other than the Group's water-related business	2,123	2,123

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS

In line with the continuous disclosure obligations of the Company pursuant to the Rules of Catalist and the Companies Act, the Board's policy is to ensure that shareholders are informed promptly of all major developments that impact the Group.

The Company does not practise selective disclosure of information. Information is communicated to shareholders on a timely basis through SGXNET. Communication is also made through annual reports that are issued to all shareholders within the mandatory period, half and full year financial statements, notice of and explanatory memoranda for annual general meetings and extraordinary general meetings; and announcements through SGXNET.

The Company maintains a corporate website at www.tritech.com.sg through which shareholders are able to access up-to-date information on the Group. The website provides corporate announcements, annual reports, and profiles of the Group, the Board and Board Committees.

The Articles of Association of the Company allow a shareholder of the Company to appoint up to two proxies to attend and vote in his/her stead at general meetings. The Company has not amended its Articles of Association to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised.

General meetings of the Company represent the principal forum for dialogue and interaction with all shareholders. At each AGM, the Board presents the progress and performance of the Group's businesses and invites shareholders to participate in the questions and answers session. The Directors, chairpersons of the Board Committees, the Management and the Company's external auditors are normally present to address shareholders' questions.

Separate resolutions are tabled and passed at every general meeting on each distinct issue. All minutes of general meetings are available to shareholders for inspection upon request.

DEALINGS IN SECURITIES

The Company has adopted policies in line with the requirements of Rule 1204(18) of the Rules of Catalist on dealings in the Company's securities.

The Company prohibits its Directors, the Management and its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. They are not allowed to deal in the Company's shares during the period commencing one month before the announcement of the Company's half year and full year results and ending on the date of announcement of such results.

Directors, the Management and officers of the Group are expected to observe insider trading laws at all times even when dealing with securities within the permitted trading periods.

Report of the Directors

The Directors of the Company present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2011 and the statement of financial position of the Company as at 31 March 2011 and the statement of changes in equity of the Company for financial year ended 31 March 2011.

1. Directors

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

Dr Wang Xiaoning
Professor Yong Kwet Yew
Dr Cai Jungang
Dr Loh Chang Kaan
Lim Yeok Hua
Aw Eng Hai

2. Arrangements to enable Directors to acquire shares or debentures

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

3. Directors' interests in shares or debentures

According to the register of Directors' shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Cap. 50 (the "Act"), none of the Directors of the Company who held office at the end of the financial year had any interests in the shares or debentures of the Company or its related corporations except as detailed below:

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance at 1.4.2010	Balance at 31.3.2011	Balance at 1.4.2010	Balance at 31.3.2011
	Number of ordinary shares			
The Company				
Dr Wang Xiaoning[(1)]	-	-	160,006,000	160,006,000
Dr Cai Jungang[(2)]	-	-	44,000	44,000
Professor Yong Kwet Yew	500,000	500,000	-	-
Lim Yeok Hua	500,000	500,000	-	-
Aw Eng Hai	50,000	50,000	-	-

Notes:

(1) Pursuant to Section 7 of the Act, Dr Wang Xiaoning is deemed to have an interest in the 160,006,000 shares of the Company held by Tritech International Holdings Pte Ltd by virtue of his shareholding interest of 30.2% in Tritech International Holdings Pte Ltd.

(2) Pursuant to the Act, Dr Cai Jungang is deemed to have an interest in the 44,000 shares of the Company held by his spouse, Ms Bi Xiling, at the beginning and end of the financial year.

Report of the Directors

3. Directors' interests in shares or debentures (Continued)

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance at 1.4.2010	Balance at 31.3.2011	Balance at 1.4.2010	Balance at 31.3.2011
	Number of warrants to subscribe for ordinary shares			
The Company				
Dr Wang Xiaoning[(1)]	-	11,500,000	1,500	1,500
Dr Cai Jungang[(2)]	-	-	11,000	11,000
Lim Yeok Hua	125,000	125,000	-	-
Aw Eng Hai	12,500	12,500	-	-

Notes:

(1) Pursuant to Section 7 of the Act, Dr Wang Xiaoning is deemed to have an interest in 1,500 warrants of the Company by virtue of his shareholding interest of 30.2% in Tritech International Holdings Pte Ltd.

(2) Pursuant to the Act, Dr Cai Jungang is deemed to have an interest in the 11,000 warrants of the Company held by his spouse, Ms Bi Xiling.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited, the Directors of the Company state that, according to the register of Directors' shareholdings, the Directors' interests as at 21 April 2011 in the shares and warrants of the Company have not changed from those disclosed as at 31 March 2011.

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance at 1.4.2010	Balance at 31.3.2011	Balance at 1.4.2010	Balance at 31.3.2011
	Number of ordinary shares			
Ultimate holding company				
Tritech International Holdings Pte Ltd				
Dr Wang Xiaoning	1,671,146	1,671,146	-	-
Dr Cai Jungang	859,446	859,446	-	-
Dr Loh Chang Kaan	572,964	572,964	-	-
	Number of convertible preference shares			
Ultimate holding company				
Tritech International Holdings Pte Ltd				
Dr Wang Xiaoning[(1)]	-	-	-	32,314,777

Notes:

(1) Pursuant to Section 7 of the Act, Dr Wang Xiaoning is deemed to have an interest in 32,314,777 convertible preference shares of the Company by virtue of his shareholding interest of 30.2% in Tritech International Holdings Pte Ltd.

Report of the Directors

4. Directors' contractual benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit which is disclosed under Section 201 (8) of the Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for salaries, bonuses and other benefits as disclosed in the financial statements. Certain Directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5. Share options

The Company has implemented a share option scheme known as the "Tritech Group Employee Share Option Scheme" ("ESOS"). The ESOS was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 28 July 2010. The ESOS is administered by the Company's Remuneration Committee comprising Professor Yong Kwet Yew, Mr. Lim Yeok Hua and Mr. Aw Eng Hai.

The ESOS apply to group employees, Executive Directors and Non-Executive Directors (including Independent Directors).

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under options as at the end of the financial year.

6. Performance shares

Besides ESOS, the Company has also implemented an employee share award scheme known as the "Tritech Group Performance Share Plan" ("Share Plan"), whereby eligible participants are conferred rights by the Company to be issued or transferred shares ("Awards"). The Share Plan was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 28 July 2010. The Share Plan is administered by the Company's Remuneration Committee comprising Professor Yong Kwet Yew, Mr. Lim Yeok Hua and Mr. Aw Eng Hai.

The Share Plan applies to group employees, Executive Directors and Non-Executive Directors (including Independent Directors).

Under the Share Plan, it allows the participants purchase and delivery of existing Tritech Group's shares to participants upon the vesting of the awards.

There was no Award granted by the Company or its subsidiaries in respect of the Share Plan during the financial year.

Report of the Directors

7. Warrants

On 12 April 2010, the Company issued 59,145,755 warrants at an issue price of $0.01 for each warrant, each warrant carrying the right to subscribe for one new ordinary share in the share capital of the Company at an exercise price of $0.25 for each new ordinary share, on the basis of one warrant for every four existing ordinary shares held by shareholders of the Company.

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

Date of issue	Balance at 12.4.2010	Exercised during the year	Balance at 31.3.2011	Exercise price	Exercisable period
12.4.2010	59,145,755	4,532,000	54,613,755	$0.25	12.4.2010 to 12.4.2013

8. Audit committee

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

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

The Audit Committee carried out its functions specified in Section 201B (5) of the Act. In performing those functions, the Audit Committee reviewed the audit plans and the overall scope of examination by the external auditors of the Group and of the Company.

The Audit Committee also reviewed the assistance provided by the Company's officers to the external auditors and the financial statements of the Group for the financial year ended 31 March 2011 and the statement of financial position of the Company as at 31 March 2011 and statement of changes in equity of the Company for the financial year ended 31 March 2011 as well as the Independent Auditors' Report thereon prior to their submission to the Board of Directors of the Company for adoption.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting.

9. Auditors

The auditors, BDO LLP, have expressed their willingness to accept re-appointment.

Report of the Directors

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

The auditors of the subsidiaries of the Company are disclosed in Note 5 to the financial statements. In the opinion of the Board of Directors and Audit Committee, Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

On behalf of the Board of Directors

Wang Xiaoning
Director

Cai Jungang
Director

Singapore
5 July 2011

Statement by Directors

In the opinion of the Board of Directors,

(a) the accompanying financial statements comprising the statements of financial position of the Group and of the Company as at 31 March 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and statement of changes in equity of the Company together with the notes thereon are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011 and of the results, 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.

On behalf of the Board of Directors

Wang Xiaoning
Director

Cai Jungang
Director

Singapore
5 July 2011

Independent Auditors' Report

Report to the Members of Tritech Group Limited

Report on the financial statements

We have audited the accompanying financial statements of Tritech Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 42 to 105, which comprise the statements of financial position of the Group and of the Company as at 31 March 2011, the consolidated statement of comprehensive income, statements of changes in equity of the Group and of the Company and consolidated statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditors' Report

Report to the Members of Tritech Group Limited

Report on the financial statements (Continued)

Opinion

In our opinion, the accompanying financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Report on other legal and regulatory requirements

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

BDO LLP
Public Accountants and
Certified Public Accountants

Singapore
5 July 2011

Statements of Financial Position

As at 31 March 2011

	Note	Group		Company	
		2011	2010	2011	2010
		$	$	$	$
Non-current assets					
Property, plant and equipment	4	14,275,384	10,711,220	595,686	607,843
Investments in subsidiaries	5	-	-	52,680,677	28,166,937
Land use right	6	2,074,849	-	-	-
Mining rights	7	16,215,300	-	-	-
Intangible assets	8	1,435,340	847,401	-	-
		34,000,873	11,558,621	53,276,363	28,774,780
Current assets					
Inventories	9	835,807	576,185	-	-
Trade and other receivables	10	5,623,127	4,283,367	4,250,267	5,228,735
Prepayments		554,280	508,001	31,427	192,742
Amounts due from contract customers	11	26,031,597	18,063,515	-	-
Cash and cash equivalents	12	21,195,627	17,028,924	6,701,679	1,675,283
		54,240,438	40,459,992	10,983,373	7,096,760
Less:					
Current liabilities					
Trade and other payables	13	11,016,687	7,339,786	7,276,903	633,889
Amounts due to contract customers	11	446,580	481,737	-	-
Bank borrowings	14	5,290,031	34,992	2,278,577	34,992
Finance lease payables	15	1,008,813	785,276	-	-
Current income tax payable		1,489,931	1,213,063	-	-
		19,252,042	9,854,854	9,555,480	668,881
Net current assets		34,988,396	30,605,138	1,427,893	6,427,879
Non-current liabilities					
Bank borrowings	14	(3,450,527)	(448,971)	(3,450,527)	(448,971)
Finance lease payables	15	(1,616,703)	(1,118,623)	-	-
Deferred tax liabilities	16	(1,237,261)	(1,035,013)	-	-
		(6,304,491)	(2,602,607)	(3,450,527)	(448,971)
Net assets		62,684,778	39,561,152	51,253,729	34,753,688
Capital and reserves					
Share capital	17	44,180,785	27,918,093	44,180,785	27,918,093
Warrants reserve	18	403,294	-	403,294	-
Foreign currency translation account	19	(820,644)	(94,901)	-	-
Accumulated profits		18,921,343	11,737,960	6,669,650	6,835,595
Total equity attributable to owners of the parent		62,684,778	39,561,152	51,253,729	34,753,688

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 31 March 2011

	Note	2011 $	2010 $
Revenue	20	46,937,255	42,321,046
Cost of sales		(29,207,037)	(26,237,753)
Gross profit		17,730,218	16,083,293
Other items of income			
Gain on bargain purchase of a subsidiary		3,051,320	341,556
Interest income		59,796	18,081
Other income	21	483,733	1,135,805
Other items of expenses			
Distribution expenses		(372,063)	(284,421)
Administrative expenses		(7,491,549)	(5,865,576)
Other operating expenses		(3,506,372)	(3,421,352)
Finance costs	22	(473,801)	(194,138)
Shares of results of associates, net of tax		-	(76,680)
Profit before income tax	23	9,481,282	7,736,568
Income tax expense	24	(1,114,825)	(1,344,010)
Profit for the financial year		8,366,457	6,392,558
Other comprehensive income			
Exchange differences arising from translation of foreign operations		(725,743)	(108,752)
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the financial year, net of tax		(725,743)	(108,752)
Total comprehensive income for the financial year		7,640,714	6,283,806
Profit attributable to:			
Owners of the parent		8,366,457	6,400,373
Non-controlling interests		-	(7,815)
		8,366,457	6,392,558
Total comprehensive income attributable to:			
Owners of the parent		7,640,714	6,290,406
Non-controlling interests		-	(6,600)
		7,640,714	6,283,806
Earnings per share (cents)	25		
Basic		3.44	2.97
Diluted		2.43	2.97

The accompanying notes form an integral part of these financial statements.

Statements of Changes In Equity

For the Financial Year Ended 31 March 2011

Group	Note	Share capital $	Warrants reserve $	Foreign currency translation account $	Accumulated profits $	Total equity attributable to owners of the parent $
Balance as at 1.4.2010		27,918,093	-	(94,901)	11,737,960	39,561,152
Profit for the financial year		-	-	-	8,366,457	8,366,457
Other comprehensive income for the financial year						
Foreign currency differences on translation of foreign operations		-	-	(725,743)	-	(725,743)
Total comprehensive income for the financial year		-	-	(725,743)	8,366,457	7,640,714
Contributions by and distributions to owners of the parent						
Issuance of shares pursuant to exercise of warrants and placements, net of expenses		3,256,915	-	-	-	3,256,915
Issuance of warrants		-	591,458	-	-	591,458
Warrant issue expenses		-	(154,627)	-	-	(154,627)
Transfer to share capital upon exercise of warrants		33,537	(33,537)	-	-	-
Issuance of convertible preference shares pursuant to acquisition of a subsidiary	17	12,972,240	-	-	-	12,972,240
Dividends	26	-	-	-	(1,183,074)	(1,183,074)
Total transactions with owners of the parent		16,262,692	403,294	-	(1,183,074)	15,482,912
Balance as at 31.3.2011		44,180,785	403,294	(820,644)	18,921,343	62,684,778

The accompanying notes form an integral part of these financial statements.

Statements of Changes In Equity

For the Financial Year Ended 31 March 2011

Group	Note	Share capital $	Foreign currency translation account $	Accumulated profits $	Equity attributable to owners of the parent $	Non-controlling interests $	Total $
Balance as at 1.4.2009		19,914,229	15,066	6,345,502	26,274,797	60,024	26,334,821
Profit for the financial year		-	-	6,400,373	6,400,373	(7,815)	6,392,558
Other comprehensive income for the financial year							
Foreign currency differences on translation of foreign operations		-	(109,967)	-	(109,967)	1,215	(108,752)
Total comprehensive income for the financial year		-	(109,967)	6,400,373	6,290,406	(6,600)	6,283,806
Contributions by and distributions to owners of the parent							
Issuance of shares pursuant to placement	17	7,000,000	-	-	7,000,000	-	7,000,000
Issuance of shares pursuant to acquisition of a subsidiary	17	1,003,864	-	-	1,003,864	-	1,003,864
Dividends	26	-	-	(1,007,915)	(1,007,915)	-	(1,007,915)
Total transactions with owners of the parent		8,003,864	-	(1,007,915)	6,995,949	-	6,995,949
Transactions with non-controlling interests							
- Acquisition of a subsidiary		-	-	-	-	(53,424)	(53,424)
Balance as at 31.3.2010		27,918,093	(94,901)	11,737,960	39,561,152	-	39,561,152

The accompanying notes form an integral part of these financial statements.

Statements of Changes In Equity

For the Financial Year Ended 31 March 2011

Company	Note	Share capital $	Warrants reserve $	Accumulated profits $	Total $
Balance as at 1.4.2010		27,918,093	-	6,835,595	34,753,688
Profit for the financial year, representing total comprehensive income for the financial year		-	-	1,017,129	1,017,129
Contributions by and distributions to owners of the parent					
Issuance of shares pursuant to exercise of warrants and placements, net of expenses		3,256,915	-	-	3,256,915
Issuance of warrants		-	591,458	-	591,458
Warrant issue expenses		-	(154,627)	-	(154,627)
Transfer to share capital upon exercise of warrants		33,537	(33,537)	-	-
Issuance of convertible preference shares pursuant to acquisition of a subsidiary	17	12,972,240	-	-	12,972,240
Dividends	26	-	-	(1,183,074)	(1,183,074)
Total transactions with owners of the parent		16,262,692	403,294	(1,183,074)	15,482,912
Balance as at 31.3.2011		44,180,785	403,294	6,669,650	51,253,729

Company	Note	Share capital $	Accumulated profits $	Total $
Balance as at 1.4.2009		19,914,229	4,070,549	23,984,778
Profit for the financial year, representing total comprehensive income for the financial year		-	3,772,961	3,772,961
Contributions by and distributions to owners of the parent				
Issuance of placement shares	17	7,000,000	-	7,000,000
Issuance of shares pursuant to acquisition of a subsidiary	17	1,003,864	-	1,003,864
Dividends	26	-	(1,007,915)	(1,007,915)
Total transactions with owners of the parent		8,003,864	(1,007,915)	6,995,949
Balance as at 31.3.2010		27,918,093	6,835,595	34,753,688

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 March 2011

	2011 $	2010 $
Operating activities		
Profit before income tax	9,481,282	7,736,568
Adjustments for:		
Amortisation of intangible assets	135,455	107,743
Allowance for impairment losses of trade receivables written back	-	(254,204)
Amortisation of land use right	47,238	-
Gain on bargain purchase of subsidiary	(3,051,320)	(341,556)
Bad trade receivables written off	-	10,564
Depreciation of property, plant and equipment	2,971,958	2,520,527
Gain on disposal of property, plant and equipment	(167,549)	(36,583)
Interest income	(59,796)	(18,081)
Interest expense	277,045	187,287
Property, plant and equipment written off	2,480	39,603
Shares of results of associates	-	76,680
Operating cash flows before working capital changes	9,636,793	10,028,548
Working capital changes:		
Inventories	(259,622)	24,947
Trade and other receivables	(9,295,118)	(4,848,963)
Prepayments	(46,279)	(223,948)
Trade and other payables	2,912,335	951,494
Cash generated from operations	2,948,109	5,932,078
Income taxes paid	(635,727)	(1,447,262)
Interest received	59,796	18,081
Interest paid	(277,045)	(187,287)
Currency translation differences	-	1,072
Net cash from operating activities	2,095,133	4,316,682
Investing activities		
Purchase of property, plant and equipment (Note 4)	(4,464,463)	(1,850,274)
Purchase of land use right	(2,124,800)	-
Addition of intangible assets	(723,394)	-
Proceeds from disposal of property, plant and equipment	279,700	47,938
Acquisition of subsidiary, net of cash acquired (Note 5)	27,119	214,659
Currency translation differences	7,763	(5,058)
Net cash used in investing activities	(6,998,075)	(1,592,735)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 March 2011

	2011 $	2010 $
Financing activities		
Increase in fixed deposit pledged	(1,343,925)	(200,000)
Proceeds from bank borrowings	8,850,000	-
Proceeds from issuance of warrants, net of expenses	403,294	-
Repayments of bank borrowings	(802,308)	(16,823)
Proceeds from finance lease obligations	1,693,495	1,125,337
Repayments of finance lease obligations	(2,665,373)	(3,259,979)
Dividends paid	(1,183,074)	(1,007,915)
Proceeds from issuance of shares	2,219,400	7,000,000
Proceeds from exercise of warrants	1,178,320	-
Warrant and share issue expenses	(107,268)	-
Net cash from financing activities	8,242,561	3,640,620
Net change in cash and cash equivalents	3,339,619	6,364,567
Cash and cash equivalents at beginning of financial year	15,485,096	9,230,496
Currency translation differences	(725,743)	(109,967)
Cash and cash equivalents at end of financial year (Note 12)	18,098,972	15,485,096

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

These notes form an integral part of and should be read in conjunction with the financial statements.

1. General corporate information

Tritech Group Limited ("the Company") is a public limited company, incorporated and domiciled in Singapore with its registered office and principal place of business at 2 Kaki Bukit Place, #07-00 Tritech Building, Singapore 416180. The Company's registration number is 200809330R. The Company is listed on the Catalist board of the Singapore Exchange Securities Trading Limited.

The Company's immediate and ultimate holding company is Tritech International Holdings Pte Ltd, a company incorporated in Singapore.

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

The statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2011 were authorised for issue in accordance with a Directors' resolution dated 5 July 2011.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards ("FRS") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the management to exercise judgement in the process of applying the Group's and the Company's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on the management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 3 to the financial statements.

During the financial year, the Group and the Company adopted the new or revised FRS and Interpretations of FRS ("INT FRS") that are relevant to their operations and effective for the current financial year. Changes to the Group's and the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The adoption of the new or revised FRS and INT FRS did not result in any substantial changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current and prior financial years except as disclosed below.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS 27 (2009) Consolidated and Separate Financial Statements

Changes in the accounting policies resulting from the adoption of FRS 27 (2009) include the following:

- Effects of all transactions with non-controlling interests are to be recorded in equity if there are no changes in control and these transactions will no longer result in goodwill or gains and losses.
- In the event where control is lost, any remaining interests in the entity are re-measured to fair value, and a gain or loss is recognised in profit or loss.
- The Group has applied FRS 27 (2009) prospectively to transactions with non-controlling interests from 1 April 2010. There were no transactions with non-controlling interests in the current financial year. Accordingly, the changes do not have any impact on the financial statements for the current financial year.

FRS 103 (2009) Business Combinations

Changes in the accounting policies resulting from the adoption of FRS 103 (2009) include the following:

- All considerations given to purchase a business are to be recorded at fair value at the acquisition date, with contingent considerations classified as debt subsequently re-measured through profit or loss if the fair value changes were to take place after the measurement period.
- The Group has a choice on an acquisition-by-acquisition basis to measure the non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's net assets.
- All acquisition-related costs are expensed.
- The Group has applied FRS 103 (2009) prospectively to all business combinations taking place from 1 April 2010. Assets and liabilities that arose from business combinations whose acquisition dates are before 1 January 2010 are not adjusted.

During the financial year, the Group has compiled with the above changes and the acquisition–related costs expensed to profit or loss amounted to $140,316.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS and INT FRS issued but not yet effective

The Group and the Company have not adopted the following FRS and INT FRS that have been issued but not yet effective:

		Effective date (Annual periods beginning on or after)
FRS 12	: Amendments to FRS 12 - Deferred Tax: Recovery of Underlying Assets	1 January 2012
FRS 24	: Related Party Disclosures (Revised)	1 January 2011
FRS 101	: Amendment to FRS 101 – Limited Exemption from Comparative FRS 107 Disclosures for First-time Adopters	1 July 2010
	: Amendments to FRS 101 – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
FRS 107	: Amendments to FRS 107 Disclosures – Transfers of Financial Assets	1 July 2011
INT FRS 114	: Amendments to INT FRS 114 - Prepayments of a Minimum Funding Requirement	1 January 2011
INT FRS 115	: Agreements for the Construction of Real Estate	1 January 2011
INT FRS 119	: Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
Singapore Financial Reporting Standards for Small Entities		1 January 2011

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Group and the Company expect that the adoption of the above FRS and INT FRS, if applicable, will have no material impact on the financial statements in the period of initial adoption, except as discussed below.

FRS 24 (2010) Related Party Disclosures

FRS 24 (2010) changes certain requirements for related party disclosures for entities under control, joint control or significant influence of a government ("government-related entities"). FRS 24 (2010) also made related party relations symmetrical between each of the related parties and new relationships were included and clarified in the definition of a related party. The Group and the Company will apply the amendments to FRS 24 retrospectively for annual periods beginning on or after 1 April 2011 and is currently determining the impact of the changes to the definition of a related party on the related disclosures. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group or the Company when implemented.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries made up to the end of the reporting period. The financial statements of the subsidiaries are prepared for the same reporting date as the parent company.

Acquisition under common control

Business combination arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholders' financial statements. The components of equity of the acquired entities are added to the same components within the Group equity. Any difference between the cash paid for the acquisition and net assets acquired is recognised directly to equity.

Acquisition under purchase method

The purchase method of accounting is used to account for the acquisitions of subsidiaries and businesses. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to profit or loss in the period of the acquisition.

Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases. In preparing the consolidated financial statements, inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment loss of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests are presented in the statement of financial position of the Group within equity, separately from the Company's owners, and are separately disclosed in the statement of comprehensive income of the Group.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.3 Business combinations

Business combinations from 1 January 2010

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at the lower of cost and fair value less costs to sell.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Business combinations before 1 January 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree are not reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was probable and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.4 Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Investments in subsidiaries are stated at cost on the Company's statement of financial position less accumulated impairment losses, if any.

2.5 Intangible assets

Transferable club membership

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.5 Intangible assets (Continued)

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 development expenditure, customer relationship and patent with finite useful life and are amortised on a straight-line method over their estimated useful lives as follows:

	Years
Development expenditure	3
Customer relationship	10
Patent	17.5

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis recognised at cost and is subsequently measured at cost less accumulated impairment losses, if any.

2.6 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment other than contract in progress are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to the property, plant and equipment that has already been recognised is added to the carrying amount of the property, plant and equipment when it is probable that the future economic benefits, in excess of the standard of performance of the property, plant and equipment before the expenditure was made, will flow to the Group and the Company, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

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 derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.6 Property, plant and equipment (Continued)

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the property, plant and equipment over their estimated useful lives as follows:

	Years
Leasehold property	51
Motor vehicles	6
Furniture, fittings and fixtures	5 -10
Machinery, instrumentation and tools	10
Office equipment	3 – 10
Renovation	10

The residual values, estimated useful life and depreciation method are reviewed at the end of each reporting period to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Construction in progress represents items of property, plant and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when it is completed and ready for use.

2.7 Land use right

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

2.8 Mining rights

Mining rights are initially measured at cost. Following initial recognition, mining rights are measured at cost less accumulated amortisation. Mining rights include the cost of sub-lease of the limestone quarry. The mining rights are amortised on a straight-line basis over the lease period of 33 years.

2.9 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups of assets. Impairment loss is recognised in profit or loss, unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.9 Impairment of non-financial assets (Continued)

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. Recoverable amount is determined for individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the assets belong. The fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life, discounted at pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. An impairment loss recognised in prior periods is reversed only if there has been a change in the estimates used to determine the 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. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. Reversals of impairment losses are recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss recognised in profit or loss in prior periods is treated as a revaluation increase. After such a reversal, the depreciation or amortisation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a "first-in, first-out" basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which inventories can be realised in the ordinary course of business less estimated cost of completion and costs incurred in marketing and distribution. When necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying values of those inventories to the lower of cost and net realisable value.

2.11 Financial assets

The Group and the Company classify their financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. The management determines the classification of the financial assets at initial recognition and re-evaluates this designation at the end of the reporting period, where allowed and appropriate.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the statements of financial position.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.11 Financial assets (Continued)

Recognition and derecognition

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become parties to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset, the difference between the carrying amount and the net consideration proceeds is recognised in profit or loss.

Initial and subsequent measurement

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

After initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less accumulated impairment losses, if any.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Impairment

The Group and the Company assess at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(i) Loans and receivables

An allowance for impairment losses of loans and receivables is recognised when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss.

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.12 Cash and cash equivalents

Cash and cash equivalents which include cash and bank balances and fixed deposits are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For purposes of the consolidated statement of cash flows, cash and cash equivalents comprise fixed deposits, cash and bank balances net of bank overdraft and fixed deposits pledged.

2.13 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss of the financial liabilities is either held for trading or it is designated as such upon initial recognition.

The accounting policies adopted for other financial liabilities are set out below.

(i) Trade and other payables

Trade and other payables are recognised initially at cost which represents the fair value of the consideration to be paid in the future, less transaction cost, for goods received or services rendered, whether or not billed to the Group and the Company, and are subsequently measured at amortised cost using the effective interest method.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(ii) Bank borrowings

Borrowings are initially recognised at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised to profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within 12 months after the end of the reporting period are presented as current borrowings even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the end of the reporting period are presented as non-current borrowings in the statements of financial position.

Recognition and derecognition

Financial liabilities are recognised on the statements of financial position when, and only when, the Group and the Company become parties to the contractual provisions of the financial instrument.

Financial liabilities are derecognised when the contractual obligation has been discharged or cancelled or expired.

On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.14 Contract work-in-progress

Contract costs are recognised as and when it is incurred.

When the outcome of a contract can be estimated reliably, contract revenue and costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period (percentage-of-completion method). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is only included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

At the end of the reporting period, the aggregated costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as "amounts due from contract customers" as current assets in the statements of financial position. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as "amounts due to contract customers" as current liabilities in the statements of financial position.

Progress billings not yet paid by customers and retentions are included within "trade and other receivables".

2.15 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of their liabilities.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received by the Group and the Company. Incremental costs directly attributable to the issuance of new equity instruments are shown in the equity as a deduction from the proceeds.

2.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised for the sale of goods and services rendered in the ordinary course of business. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and the revenue can be measured reliably. Revenue is presented net of sales taxes and discounts.

(i) Sales of goods

Revenue is recognised upon delivery of products and customer acceptance, if any, or performance of services.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.16 Revenue recognition (Continued)

(ii) Construction contracts

Revenue from work done on construction contracts is recognised based on the "percentage of completion" method. The stage of completion is determined based on the proportion of contract costs incurred for work performed up to the end of the reporting period over the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue shall be recognised only to the extent of contract costs incurred that is probable to be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the foreseeable loss is recognised as an expense immediately.

(iii) Rental income

Rental income under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease.

(iv) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.17 Grants

Grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants are credited to profit or loss as and when the underlying expenses are included and recognised in profit or loss to match such related expenditures.

Government grant – Jobs credit scheme

The Singapore government introduced a cash grant known as the jobs credit scheme in its Budget for 2009 in a bid to help businesses preserve jobs in the economic downturn. The amounts received for jobs credit are to be paid to eligible employers in installments and the amount an employer can receive would depend on the fulfillment of the conditions as stated in the scheme.

The Group and the Company recognise the amounts received for jobs credit at their fair values as other income in the month of receipt of these grants from the government.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.18 Leases

When the Group is the lessor of finance leases

Leases in which the Group assumes substantially the risks and rewards of ownership are classified as finance leases.

Upon initial recognition, plant and equipment acquired through finance leases are capitalised at the lower of its fair value and the present value of the minimum lease payment. Any initial direct costs are also added to the amount capitalised.

When the Group is the lessor of an operating lease

Assets leased out under operating leases are included in the plant and equipment.

Rental income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

When the Group is the lessee of an operating lease

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the lease (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

2.19 Employee benefits

Employees of the Group receive remuneration in the form of share options and share awards as consideration for service rended.

The Company has in place the Tritech Group Employee Share Option Plan for granting of share options to senior executive and all other employees. The exercise price approximated the market value of the shares at the date of grant.

The Company has also implemented the Performance Share Plan for awarding of full paid ordinary shares to key senior management and senior executives, when and after pre-determined performance or service conditions are accomplished.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.19 Employee benefits (Continued)

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the share options or awards are granted. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company.

The cost is recognised in profit or loss as share-based compensation expenses, with a corresponding increase in the share-based compensation reserve, over the vesting period in which the service condition are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the share based compensation reserve over the remaining vesting period.

No expense is recognised for options or awards that do not ultimately vest, except for options or awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The share-based compensation reserve is transferred to general reserve upon cancellation or expiry of the vested options or awards. When the options are exercised or awards are released, the share-based compensation reserve is transferred to share capital if new shares are issued.

Defined contribution plan

Contributions to defined contribution plans are recognised as an expense in profit or loss in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlement

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

2.20 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as an expense in profit or loss in the financial year in which they are incurred. Borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

2.21 Income tax

Income tax expense for the financial year comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.21 Income tax (Continued)

Current income tax expense is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to income tax payable in respect of previous financial years.

Deferred tax is provided, using the liability method, for 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 is measured using the tax rates expected to be applied to the temporary differences when they are realised or settled, based on tax rates enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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 profits will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same tax authority and there is intention to settle the current tax assets and liabilities on a net basis.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2.22 Foreign currencies

Items included in the individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

2. Summary of significant accounting policies (Continued)

2.22 Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items and on re-translating of monetary items are included in profit or loss for the financial year. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements of the Group, the results and financial positions of the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rate at the end of the reporting period;

(ii) income and expenses are translated at average exchange rate for the financial year (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) the resulting exchange differences are recognised in other comprehensive income and presented in the foreign currency translation account in equity.

2.23 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recognised as a liability in the financial year in which the dividends are approved by the shareholders.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

3. Critical accounting judgements and key sources of estimation uncertainty

3.1 Critical judgements in applying the accounting policies

In the process of applying the Group's and the Company's accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.1 Critical judgements in applying the accounting policies (Continued)

(i) Impairment of investments in subsidiaries and financial assets

The Group and the Company follow the guidance of FRS 36 and FRS 39 on determining whether an investment or a financial asset is impaired. This determination requires significant judgement. The Group and the Company evaluate, among other factors, the duration and extent to which the fair value of an investment or a financial asset is less than its cost and the financial health of and near-term business outlook for the investment or financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

(ii) Contract revenue

The Group recognises certain contract revenue to the extent of contract costs incurred where it is probable that those costs will be recoverable and based on the stage of completion method. The stage of completion is measured by reference to the contract costs incurred to date to the estimated total costs for the contract.

Significant judgement is required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost, as well as the recoverability of the contracts. In making the judgement, the Group evaluates by relying on past experience and the work of specialists.

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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and reported amounts of revenue and expenses within the next financial year, are discussed below.

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line method over their estimated useful lives. The management estimates the useful lives of property, plant and equipment to be within 3 to 51 years. The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 March 2011 was $14,275,384 (2010: $10,711,220) and $595,686 (2010: $607,843) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Impairment losses of intangible assets

The management determines whether the intangible assets have suffered impairment loss on an annual basis and as and when there is an indication of impairment. The recoverable amounts of the cash-generating unit ("CGU") are determined based on the value in use method, which requires the use of estimates. In estimating the value in use, the management exercises judgement in estimating the expected future cash flows from the CGUs and using suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's intangible assets as at 31 March 2011 was $1,435,340 (2010: $847,401).

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(iii) Allowance for impairment losses of receivables

The management establishes allowance for impairment losses of receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers its historical experience and changes to its customers' financial position. If the financial conditions of receivables were to deteriorate, resulting in impairment of their ability to make the required payments, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables as at 31 March 2011 were $5,623,127 (2010: $4,283,367) and $4,250,267 (2010: $5,228,735) respectively.

(iv) Income taxes

Significant judgements are involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters differs from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the financial year in which such determination is made. The carrying amounts of the Group's current income tax payable and deferred tax liabilities as at 31 March 2011 were $1,489,931 (2010: $1,213,063) and $1,237,261 (2010: $1,035,013) respectively.

As at 31 March 2011, the Group has unutilised tax losses of approximately $1,516,000 (2010: $Nil) available for set-off against future taxable profits subject to the agreement by the relevant tax authority and provisions of the tax legislations of the respective countries in which the Group operates. The deferred tax assets have not been recognised due to unpredictability of future revenue streams. Accordingly, the deferred tax assets have not been recognised in the financial statements in accordance with the accounting policy in Note 2.21 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

4. Property, plant and equipment

Group	Leasehold property $	Motor vehicles $	Furniture, fittings and fixtures $	Machinery, instrumentation and tools $	Office equipment $	Renovation $	Construction in progress $	Total $
Cost								
Balance at 1.4.2010	620,000	934,357	218,533	15,570,015	1,065,326	502,357	-	18,910,588
Acquisition of a subsidiary (Note 5)	497,844	-	-	-	-	-	-	497,844
Additions	-	310,222	135,901	3,020,432	427,907	136,425	2,127,071	6,157,958
Disposals	-	-	-	(528,807)	-	-	-	(528,807)
Written off	-	(28,000)	-	(8,815)	(53,272)	-	-	(90,087)
Currency translation differences	-	-	-	-	(4,292)	(1,635)	-	(5,927)
Balance at 31.3.2011	1,117,844	1,216,579	354,434	18,052,825	1,435,669	637,147	2,127,071	24,941,569
Accumulated depreciation and impairment losses								
Balance at 1.4.2010	12,157	265,900	77,024	7,129,004	543,601	171,682	-	8,199,368
Depreciation for the financial year	12,157	239,619	38,614	2,350,130	271,099	60,339	-	2,971,958
Disposals	-	-	-	(416,657)	-	-	-	(416,657)
Written off	-	(28,000)	-	(6,794)	(52,813)	-	-	(87,607)
Currency translation differences	-	-	-	-	(827)	(50)	-	(877)
Balance at 31.3.2011	24,314	477,519	115,638	9,055,683	761,060	231,971	-	10,666,185
Carrying amount								
Balance at 31.3.2011	1,093,530	739,060	238,796	8,997,142	674,609	405,176	2,127,071	14,275,384

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

4. Property, plant and equipment (Continued)

Group	Leasehold property $	Motor vehicles $	Furniture, fittings and fixtures $	Machinery, instrumentation and tools $	Office equipment $	Renovation $	Total $
Cost							
Balance at 1.4.2009	-	1,065,502	179,343	13,103,192	672,497	397,987	15,418,521
Acquisition of a subsidiary (Note 5)	-	17,916	12,634	177,343	150,281	4,835	363,009
Additions	620,000	56,523	32,757	2,383,060	279,736	99,535	3,471,611
Disposals	-	(205,584)	(4,275)	(6,472)	-	-	(216,331)
Written off	-	-	(1,926)	(87,108)	(43,961)	-	(132,995)
Currency translation differences	-	-	-	-	6,773	-	6,773
Balance at 31.3.2010	620,000	934,357	218,533	15,570,015	1,065,326	502,357	18,910,588
Accumulated depreciation and impairment losses							
Balance at 1.4.2009	-	269,137	51,247	5,177,496	359,920	117,694	5,975,494
Depreciation for the financial year	12,157	198,332	28,291	2,002,537	225,222	53,988	2,520,527
Disposals	-	(201,569)	(641)	(2,766)	-	-	(204,976)
Written off	-	-	(1,873)	(48,263)	(43,256)	-	(93,392)
Currency translation differences	-	-	-	-	1,715	-	1,715
Balance at 31.3.2010	12,157	265,900	77,024	7,129,004	543,601	171,682	8,199,368
Carrying amount							
Balance at 31.3.2010	607,843	668,457	141,509	8,441,011	521,725	330,675	10,711,220

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

4. Property, plant and equipment (Continued)

Company	Leasehold property	
	2011	2010
	$	$
Cost		
Balance at beginning of financial year	620,000	-
Additions	-	620,000
Balance at end of financial year	620,000	620,000
Accumulated depreciation		
Balance at beginning of financial year	12,157	-
Depreciation for the financial year	12,157	12,157
Balance at end of financial year	24,314	12,157
Carrying amount		
Balance at end of financial year	595,686	607,843

As at the end of the reporting period, the carrying amount of plant and equipment which were acquired under finance lease arrangements were as follows:

	Group	
	2011	2010
	$	$
Motor vehicles	637,565	612,369
Machinery, instrumentation and tools	3,348,675	2,286,155
	3,986,240	2,898,524

Finance leased assets are pledged as a security for the related finance lease payables (Note 15).

As at the end of the reporting period, the leasehold property of the Group and the Company with carrying amount of $595,686 (2010: $607,843) has been pledged to secure bank borrowings as referred to in Note 14 to the financial statements.

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

	Group	
	2011	2010
	$	$
Additions of property, plant and equipment	6,157,958	3,471,611
Acquired under finance lease arrangements	(1,693,495)	(1,125,337)
Acquired under bank borrowings	-	(496,000)
Cash payments to acquire property, plant and equipment	4,464,463	1,850,274

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

4. Property, plant and equipment (Continued)

As at 31 March 2011, the Group's and the Company's leasehold property was as follows:

Location	Description	Tenure	Approximate site area (sq. m.)
8A Admiralty Street #06-28 Food Xchange Singapore 757437	Factory building, office and warehouse	60 years lease from 2000	355

5. Investments in subsidiaries

	Company	
	2011	2010
	$	$
Unquoted equity shares in corporations, at cost	52,767,287	28,253,547
Allowance for impairment losses	(86,610)	(86,610)
	52,680,677	28,166,937

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

	Company	
	2011	2010
	$	$
Balance at beginning and end of financial year	86,610	86,610

During the current financial year, the Company carried out a review of the investments in the subsidiaries, having regard for indicators of impairment on investments in subsidiaries based on the existing performance of the relevant subsidiaries. There was no additional impairment loss resulted from the review.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

5. Investments in subsidiaries (Continued)

The particulars of the subsidiaries are as follows:

	Name of company	Country of incorporation	Principal activities	Effective equity interest held 2011 %	2010 %
*	Tritech Engineering & Testing (Singapore) Pte Ltd	Singapore	Soil investigation, treatment and stabilisation (including grouting and grunting)	100	100
*	Tritech Consultants Pte. Ltd.	Singapore	Architectural, engineering and land surveying; professional consultancy services	100	100
*	Tritech Geotechnic Pte Ltd	Singapore	Soil investigation, treatment and stabilisation (including grouting and grunting)	100	100
*	Tritech Instruments Pte. Ltd.	Singapore	Supply, installation and monitoring of all kinds of engineering instruments	100	100
*	Presscrete Engineering Pte Ltd	Singapore	Civil and structural engineering contractors	100	100
*	Tritech Water Technologies Pte. Ltd.	Singapore	Manufacture of water and waste treatment	100	100
*	SysEng (S) Pte Ltd	Singapore	Design and development of automation and engineering system	100	100
^	Terra Tritech Engineering (M) Sdn Bhd	Malaysia	Providing civil engineering services	100	100
#	Beijing Wisetec Technologies Co., Ltd.	People's Republic of China	Business of designing, developing, services and sale of electronic products	100	100
#	Tritech (Qingdao) Membrane Industry Co., Ltd.	People's Republic of China	Production of membranes for use in waste treatment systems and water treatment system	100	100
*	Terratech Resources Pte Ltd	Singapore	Investment holding	100	-
^	CEP Resources Entity Sdn Bhd	Malaysia	Quarrying, extraction and production of dimension stones and other marble-related products	100	-

* Audited by BDO LLP, Singapore

^ Audited by SE Lai Associates, Chartered Accountant, Malaysia. Not considered as significant subsidiaries under Rule 718 of the Listing manual – Section B, Rules of Catalist of the Singapore Exchange Securities Trading Limited

\# Audited by BDO China Shu Lun Pan, Certified Public Accountants, People's Republic of China

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

5. Investments in subsidiaries (Continued)

Additional capital injection in subsidiaries

On 10 February 2011, the Company increased its paid-up capital in Tritech Water Technologies Pte. Ltd. by $4,100,000 by way of cash contribution.

On 23 April 2010, the Company increased its paid up capital in Tritech Engineering & Testing (Singapore) Pte Ltd by $800,000 by way of capitalisation of the accumulated profits.

During the financial year, the Company increased its capital contribution in Tritech (Qingdao) Membrane Industry Co., Ltd. by $6,641,500.

Acquisition of a subsidiary

Acquisition of SysEng (S) Pte Ltd

On 22 July 2009, the Company acquired 210,000 fully paid ordinary shares constituting 70% of the paid up capital of SysEng (S) Pte Ltd for the consideration of $1,325,231. Following the acquisition, SysEng (S) Pte Ltd becomes a wholly-owned subsidiary of the Company.

The fair value of the identifiable assets and liabilities of SysEng (S) Pte Ltd as at the date of acquisition were:

	Carrying amount before combination $	Fair value recognised on acquisition $
Plant and equipment	363,009	363,009
Investment in an associate	52,526	52,526
Intangible assets	104,925	934,144
Inventories	173,087	173,087
Trade and other receivables	357,688	357,688
Cash and cash equivalents	214,659	214,659
Trade and other payables	(125,554)	(125,554)
Finance lease payables	(64,625)	(64,625)
Bank borrowings	(4,786)	(4,786)
Current income tax payable	(48,855)	(48,855)
Deferred tax liabilities	(44,437)	(185,404)
Net identified assets acquired	977,637	1,665,889
Minority interests		53,424
Loss on disposal of associate		(52,526)
Negative goodwill arising on acquisition		(341,556)
		1,325,231

From the date of acquisition, SysEng (S) Pte Ltd has contributed $112,794 to the Group's profit for the previous financial year. If the combination has taken place at the beginning of the previous financial year, the Group's profit for the previous financial year would have been $6,136,960 and revenue would have been $42,759,084.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

5. Investments in subsidiaries (Continued)

Acquisition of a subsidiary (Continued)

Acquisition of SysEng (S) Pte Ltd (Continued)

The effects of acquisition of a subsidiary on cash flows are as follows:

	2010 $
Purchase consideration	1,325,231
Satisfied by:	
Consideration satisfied by issuance of shares	(1,003,864)
Consideration recognised as investment in associates in previous year	(321,367)
	-
Cash and cash equivalents acquired	214,659
Net cash inflow for acquisition of subsidiary	214,659

Acquisition of Terratech Resource Pte Ltd

On 30 March 2011, the Company acquired the entire issued and paid-up capital of Terratech Resources Pte Ltd ("Terratech") from Tritech International Holdings Pte Ltd and Mr. Chua Eng Pu (collectively, the "Vendors"). Following the acquisition, Terratech became a wholly-owned subsidiary of the Company. Terratech owns the entire issued share capital of CEP Resources Entity Sdn. Bhd., which in turn has been granted a sub-lease by the Kelantan State Economic Development Corporation in respect of a stone quarry located in Kelantan, Malaysia (the "Sub-Lease"). The Sub-Lease comes with exclusive rights to explore, develop, quarry, extract, remove and sell marble and/or other stones for commercial sale or consumption for a period of thirty-three (33) years from the date of registration of the Sub-Lease (the "Limestone Business").

The purchase consideration of the acquisition is equivalent to 60% of the Limestone Valuation as determined by the independent valuer, which was satisfied by issuance of convertible preference shares.

In addition, the Company will pay to the Vendors an amount equal to five percent (5%) and fifteen percent (15%) of the Limestone Valuation should Terratech achieves a consolidated audited net profit after tax of $1.0 million and $3.0 million and above for the financial year ending 31 March 2012 and 31 March 2013, respectively ("Profit Incentives").

As at 31 March 2011, the management has obtained and received the projected profits and cashflows of Terratech for the next 10 years. Based on the projected profits, Terratech will meet the Profit Incentives, hence, the Company will have to pay additional consideration of $3,243,060 which will be satisfied by issuance of additional convertible preference shares. As at the end of the reporting period, there has been no change to amounts recognised arising from changes in range of outcomes or valuation techniques applied.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

5. Investments in subsidiaries (Continued)

Acquisition of a subsidiary (Continued)

Acquisition of Terratech Resource Pte Ltd (Continued)

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

	Carrying amount before combination $	Fair value recognised on acquisition $
Mining rights	-	16,215,300
Plant and equipment	497,844	497,844
Trade and other receivables	404,258	404,258
Cash and cash equivalents	27,119	27,119
Trade and other payables	(1,120,944)	(1,120,944)
Current income tax payable	(18)	(18)
Net identified (liabilities)/assets acquired	(191,741)	16,023,559
Gain in bargain purchase*		(3,051,320)
Purchase consideration^		12,972,239

* Gain in bargain purchase is a provisional gain on purchase arising from the acquisition of Terratech Resources Pte Ltd. In accordance with FRS 103, the management is required to identify the fair value of the identifiable assets, liabilities and contingent liabilities as at the date of acquisition. Valuation work in accordance with FRS 103 for the acquisition has not been carried out as at 31 March 2011. Accordingly, a provisional gain on purchase is recorded based on the excess of the sum of the fair value of the purchase consideration over the net provisional fair value at the identifiable assets, liabilities and contingent liabilities of the date of acquisition.

	$
^ Purchase consideration includes:	
- Insurance of 34,747,072 convertible preference shares at an issue price of $0.28	9,729,179
- Contingent consideration	3,243,060
	12,972,239

From the date of acquisition, there was no contribution from Terratech to the Group's profit for the financial year, as the acquisition was completed on 30 March 2011. If the combination has taken place at the beginning of the financial year, the Group's profit for the financial year would have been $8,354,105 and there would be no impact on revenue for the financial year as Terratech has not generated any revenue.

Acquisition-related costs amounting to $140,316 have been excluded from the consideration and have been recognised as an expenses in the period, within the "Administrative expenses" line item in the consolidated statement of comprehensive income.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

5. Investments in subsidiaries (Continued)

The effects of acquisition of a subsidiary on cash flows are as follows:

	2011 $
Purchase consideration	12,972,239
Less: Contingent consideration	(3,243,060)
	9,729,179
Satisfied by:	
Consideration satisfied by issuance of convertible preference shares	(9,729,179)
	-
Cash and cash equivalents acquired	27,119
Net cash inflow for acquisition of a subsidiary	27,119

6. Land use right

	Group	
	2011 $	2010 $
Cost		
Balance at beginning of financial year	-	-
Additions	2,124,800	-
Currency translation differences	(4,000)	
Balance at end of financial year	2,120,800	-
Accumulated amortisation		
Balance at beginning of financial year	-	-
Amortisation for the financial year	47,238	-
Currency translation differences	(1,287)	-
Balance at end of financial year	45,951	-
Carrying amount		
Balance at end of financial year	2,074,849	-
Amount to be amortised:		
- Not later than one financial year	42,416	-
- Later than one financial year but not later than five financial years	169,664	-
- Later than five financial years	1,862,769	-

The Group has land use right over 110 acres of land in the People's Republic of China ("PRC") where the Group's manufacturing and production of membranes for use in waste treatment systems and water treatment system. The land use right has a remaining tenure of 50 years.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

7. Mining rights

	Group	
	2011	2010
	$	$
Cost		
Balance at beginning of financial year	-	-
Acquisition of a subsidiary (Note 5)	16,215,300	-
Balance at end of financial year	16,215,300	-

The Group has mining rights which pertains to sub-lease of a piece of land known as Lot 1781, PN 4112, Mukim Ulu Nenggiri, Jajahan Gua Musang, Kelantan, measuring approximately 25.94 hectares which is owned by Kelantan State Economic Development Corporation. The mining rights have a remaining tenure of 32 years (2010: Nil).

There is no amortisation in the current financial year as the completion of the acquisition of a subsidiary is on 30 March 2011.

8. Intangible assets

Group	Transferable club membership	Patent	Development expenditure	Customer relationship	Total
	$	$	$	$	$
Cost					
Balance at 1.4.2010	21,000	-	165,271	768,873	955,144
Additions	55,500	192,800	475,094	-	723,394
Balance at 31.3.2011	76,500	192,800	640,365	768,873	1,678,538
Accumulated amortisation					
Balance at 1.4.2010	-	-	56,485	51,258	107,743
Amortisation for the financial year	-	-	52,463	82,992	135,455
Balance at 31.3.2011	-	-	108,948	134,250	243,198
Carrying amount					
Balance at 31.3.2011	76,500	192,800	531,417	634,623	1,435,340

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

8. Intangible assets (Continued)

Group	Transferable club membership $	Development expenditure $	Customer relationship $	Total $
Cost				
Balance at 1.4.2009	21,000	-	-	21,000
Acquisition of subsidiary (Note 5)	-	165,271	768,873	934,144
Balance at 31.3.2010	21,000	165,271	768,873	955,144
Accumulated amortisation				
Balance at 1.4.2009	-	-	-	-
Amortisation for the financial year	-	56,485	51,258	107,743
Balance at 31.3.2010	-	56,485	51,258	107,743
Carrying amount				
Balance at 31.3.2010	21,000	108,786	717,615	847,401

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

9. Inventories

	Group	
	2011 $	2010 $
Construction materials	622,226	417,652
Finished goods	99,178	29,664
Raw materials	114,403	128,869
	835,807	576,185

The cost of inventories recognised as expenses and included in "cost of sales" line item in profit or loss was $5,975,204 (2010: $4,563,253) for the financial year ended 31 March 2011.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

10. Trade and other receivables

	Group		Company	
	2011	2010	2011	2010
	$	$	$	$
Trade receivables				
- third parties	2,614,002	2,448,272	-	-
- subsidiaries	-	-	911,671	583,400
	2,614,002	2,448,272	911,671	583,400
Allowance for impairment losses				
- third parties	-	(31,712)	-	-
	2,614,002	2,416,560	911,671	583,400
Unbilled revenue	64,815	177,513	-	-
Other receivables				
- third parties	2,586,847	285,724	-	-
- subsidiaries	-	-	851,496	694,335
Staff loan	42,552	70,757	-	-
Dividend receivable from subsidiaries	-	-	2,383,000	3,950,000
Deposits	314,911	1,332,813	104,100	1,000
	5,623,127	4,283,367	4,250,267	5,228,735

Trade receivables are non-interest bearing and generally on 30 to 60 (2010: 30 to 60) days' credit terms.

Amounts due from subsidiaries which are non-trade in nature, are unsecured, non-interest bearing and repayable on demand.

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

As at the end of the previous reporting period, deposits include payment $1,026,500 made for the acquisition of land use right in Jiaonan Economic Development Zone, Jiaonan City, Qingdao, People's Republic of China to develop and manufacture different types of membranes for use in water treatment.

Movements in allowance for impairment losses of trade receivables during the financial year were as follows:

	Group	
	2011	2010
	$	$
Balance at beginning of financial year	31,712	262,178
Arising from acquisition of a subsidiary	-	31,712
Allowance written back during the financial year	-	(254,204)
Bad trade receivables written off against allowance	(31,712)	(7,974)
Balance at end of financial year	-	31,712

Impairment losses of trade receivables arose mainly from customers who have difficulty in settling the amount due.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

10. Trade and other receivables (Continued)

The write back of allowance for impairment losses of trade receivables amounting to $Nil (2010: $254,204) was recognised in profit or loss when the amounts were recovered from the customers during the financial year.

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2011	2010	2011	2010
	$	$	$	$
Singapore dollar	2,857,579	2,689,042	4,250,267	5,228,735
Ringgit Malaysia	240,555	422,912	-	-
Chinese renminbi	2,524,993	1,134,725	-	-
Euro	-	36,688	-	-
	5,623,127	4,283,367	4,250,267	5,228,735

11. Amounts due from/(to) contract customers

	Group	
	2011	2010
	$	$
Costs incurred to date	76,667,996	61,770,209
Add: Recognised profits	49,650,597	40,041,044
Work in progress	126,318,593	101,811,253
Less: Progress billings received and receivable	(100,733,576)	(84,229,475)
	25,585,017	17,581,778
Comprising:		
Amounts due from contract customers	26,031,597	18,063,515
Amounts due to contract customers	(446,580)	(481,737)
	25,585,017	17,581,778

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

12. Cash and cash equivalents

	Group		Company	
	2011	2010	2011	2010
	$	$	$	$
Fixed deposits with bank	3,453,092	2,801,035	1,261,800	-
Cash and bank balances	17,742,535	14,227,889	5,439,879	1,675,283
Cash and cash equivalents on statements of financial position	21,195,627	17,028,924	6,701,679	1,675,283
Bank overdraft (Note 14)	(208,902)	-		
Fixed deposits pledged	(2,887,753)	(1,543,828)		
Cash and cash equivalents on consolidated statement of cash flows	18,098,972	15,485,096		

Fixed deposits mature on varying dates between 1 to 12 (2010: 1 to 12) months from the end of the reporting period. The effective interest rates on the fixed deposits range from 0.1% to 0.45% (2010: 0.10% to 0.93%) per annum. The fixed deposits of the Group and the Company amounting to $2,887,753 (2010: $1,543,828) and $1,261,800 (2010: $Nil) respectively are pledged to banks for bankers' guarantee and facilities granted to the Group and the Company.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2011	2010	2011	2010
	$	$	$	$
Singapore dollar	9,647,844	8,314,522	5,439,879	1,675,283
Ringgit Malaysia	158,726	64,391	-	-
Indian rupee	290	290	-	-
United States dollar	1,267,263	8,569,121	1,261,800	-
Chinese renminbi	10,121,504	80,600	-	-
	21,195,627	17,028,924	6,701,679	1,675,283

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

13. Trade and other payables

	Group		Company	
	2011	2010	2011	2010
	$	$	$	$
Trade payables - third parties	5,016,028	4,638,389	-	-
Accrued operating expenses	913,736	699,839	1,083	31,000
Accruals for Directors' fees	180,000	145,750	180,000	145,750
Directors' incentive bonus	588,357	392,952	588,357	392,952
Good and services tax payable	513,634	469,882	15,803	7,058
Deposits received	28,836	34,239	-	-
Other payables				
- third parties	3,073,996	958,735	48,828	57,129
- subsidiaries	-	-	6,442,832	-
- ultimate holding company	702,100	-	-	-
	11,016,687	7,339,786	7,276,903	633,889

Trade payables are non-interest bearing and are normally settled between 30 to 60 (2010: 30 to 60) days.

Amounts due to ultimate holding company and subsidiaries which are non-trade in nature, are unsecured and repayable on demand. Amounts due to ultimate holding company are non-interesting bearing and amount due to subsidiaries bear interest at 4.92% (2010: Nil) per annum.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2011	2010	2011	2010
	$	$	$	$
Singapore dollar	7,768,056	6,682,990	7,276,903	633,889
United States dollar	196,223	347,821	-	-
British pound sterling	6,981	39,512	-	-
Ringgit Malaysia	615,289	154,513	-	-
Chinese renminbi	2,421,975	97,828	-	-
Others	8,163	17,122	-	-
	11,016,687	7,339,786	7,276,903	633,889

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

14. Bank borrowings

	Group		Company	
	2011	2010	2011	2010
	$	$	$	$
Current liabilities				
Secured				
Term loan I	37,923	34,992	37,923	34,992
Term loan II	2,240,654	-	2,240,654	-
	2,278,577	34,992	2,278,577	34,992
Unsecured				
Trust receipt	329,923	-	-	-
Bridging loan I	680,028	-	-	-
Bridging loan II	1,360,057	-	-	-
Bridging loan III	432,544	-	-	-
Bank overdraft	208,902	-	-	-
	3,011,454	-	-	-
	5,290,031	34,992	2,278,577	34,992
Non-current liabilities				
Secured				
Term loan I	428,915	448,971	428,915	448,971
Term loan II	3,021,612	-	3,021,612	-
	3,450,527	448,971	3,450,527	448,971
	8,740,558	483,963	5,729,104	483,963

	Group		Company	
	2011	2010	2011	2010
	$	$	$	$
Current liabilities				
Not later than one financial year	5,290,031	34,992	2,278,577	34,992
Non-current liabilities				
After one financial year but not later than five financial years	3,178,764	155,787	3,178,764	155,787
Later than five financial years	271,763	293,184	271,763	293,184
	3,450,527	448,971	3,450,527	448,971
	8,740,558	483,963	5,729,104	483,963

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

14. Bank borrowings (Continued)

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

	Group		Company	
	2011	2010	2011	2010
	%	%	%	%
Bank overdraft	5.50 – 9.88	5.50 – 9.88	-	-
Trust receipt	6.25	-	-	-
Term loan I	2.98	2.98	2.98	2.98
Term loan II	5.33	-	5.33	-
Bridging loan I	4.9	-	-	-
Bridging loan II	4.9	-	-	-
Bridging loan III	5.0	-	-	-

Secured

Term loan I from a financial institution is repayable over 240 months commencing from 1 August 2009. Term loan I is secured by the first legal mortgage over the leasehold property of the Group (Note 4) and assignment of all rights and benefits over the rental income from the leasehold property.

Term loan II from a financial institution is repayable over 36 months commencing from 16 June 2011. Term loan II is secured by fixed deposit, all fresh monies guarantee by certain subsidiaries, and corporate guarantee by certain subsidiaries.

Unsecured

Bank overdraft is secured by corporate guarantee from the Company.

Trust receipt has a maturity period of 4 (2010: Nil) months due on 15 June 2011.

Bridging loan I from a financial institution is repayable over 24 monthly instalments commencing from 20 August 2010.

Bridging loan II from a financial institution is repayable over 24 monthly instalments commencing from 20 August 2010.

Bridging loan III from a financial institution is repayable over 24 monthly instalments commencing from 19 September 2010.

Trust receipt, bridging loan I,II and III are secured by the corporate guarantees from the Company.

The fair values of non-current bank borrowings as at 31 March 2011 approximate their carrying amount.

Bank borrowings are denominated in Singapore dollar.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

14. Bank borrowings (Continued)

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

	Group		Company	
	2011	2010	2011	2010
	$	$	$	$
Facilities granted	16,146,000	5,641,626	10,996,000	496,000
Facilities utilised	9,884,825	2,229,520	5,746,000	496,000

15. Finance lease payables

	Minimum lease payments	Finance charges	Present value of minimum lease payments
	$	$	$
Group			
2011			
Current liabilities			
Not later than one financial year	1,123,319	(114,506)	1,008,813
Non-current liabilities			
After one financial year but not later than five financial years	1,703,496	(103,661)	1,599,835
Later than five years	17,604	(736)	16,868
	1,721,100	(104,397)	1,616,703
	2,844,419	(218,903)	2,625,516
Group			
2010			
Current liabilities			
Not later than one financial year	869,461	(84,185)	785,276
Non-current liabilities			
After one financial year but not later than five financial years	1,192,081	(73,458)	1,118,623
	2,061,542	(157,643)	1,903,899

The effective interest rates charged during the financial year range between 2.73% to 6.67% (2010: 2.49% to 6.66%) per annum.

The finance leases term range from between 3 to 7 years.

Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

15. Finance lease payables (Continued)

The Group's obligations under finance leases are secured by the lessors' title to the leased assets, which will revert to the lessors in the event of default by the Group.

The finance lease payables are denominated in Singapore dollar.

16. Deferred tax liabilities

	Group	
	2011	2010
	$	$
Balance at beginning of financial year	1,035,013	577,284
Acquisition of a subsidiary	-	185,404
Charged to profit or loss	202,248	272,325
Balance at end of financial year	1,237,261	1,035,013

Deferred tax liabilities arise as a result of temporary differences between the tax written down values and carrying amount of the following computed at statutory tax rate of 17%:

	Group	
	2011	2010
	$	$
Development expenditure	140,967	140,967
Excess of net book value over tax written down value of property, plant and equipment	1,096,294	894,046
	1,237,261	1,035,013

17. Share capital

	Group and Company	
	2011	2010
	$	$
Ordinary shares	31,208,545	27,918,093
Convertible preference shares	12,972,240	-
	44,180,785	27,918,093

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

17. Share capital (Continued)

17.1 Ordinary shares

	Group and Company	
	2011	2010
	$	$
Issued and fully-paid		
236,583,021 (2010: 196,006,000) ordinary shares at beginning of financial year	27,918,093	19,914,229
Issuance of Nil (2010: 5,577,021) ordinary shares for acquisition of a subsidiary	-	1,003,864
Issuance of 8,220,000 (2010: 35,000,000) ordinary shares pursuant to placement	2,219,400	7,000,000
Issuance of 4,532,000 (2010: Nil) ordinary shares from conversion of warrants	1,178,320	-
Share and warrant issue expenses	(107,268)	-
249,335,021 (2010: 236,583,021) ordinary shares at end of financial year	31,208,545	27,918,093

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

On 22 July 2009, the Company issued 5,577,021 ordinary shares as the consideration for acquisition of SysEng (S) Pte Ltd.

On 20 October 2009, the Company issued 35,000,000 placement shares at $0.20 per share for cash. The proceeds from the issuance of placement shares will be used for commercialisation of water treatment technologies, acquisition and upgrading of machinery and equipment, overseas expansion and working capital for the Group.

On 1 October 2010, the Company issued 8,220,000 placement shares at $0.27 per share for cash. The proceeds from the issuance of placement shares will be used for general business capital purposes and business development.

As at the end of the reporting period, there were 54,613,755 (2010: Nil) outstanding warrants to subscribe for ordinary shares of the Company at an exercise price of $0.25 per share.

There were no share options granted under ESOS and Awards granted by Share Plan by the Company during the financial year.

17.2 Convertible preference shares

As at 30 March 2011, there were 34,747,072 convertible preference shares ("CPS") issued and allotted to the Vendors for acquisition of a subsidiary, Terratech. The CPS was issued at an issue price of $0.28 each and are mandatory convertible into conversion shares at the conversion ratio. The CPS is not entitled to dividends and the shareholders have no voting rights.

Under the Profit Incentives, a contingent consideration of $3,242,060 was recognised at fair value at the acquisition date as part of the purchase consideration which will be satisfied by issuance additional CPS (Note 5).

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

18. Warrants reserve

During the financial year, the Company issued 59,145,755 warrants at an issue price of $0.01 for each warrant. Each warrant carries the right to subscribe for one new ordinary share in the capital of the company at an exercise price of $0.25 for each new share, on the basis of one warrant for every four existing ordinary shares held by the shareholders of the Company. Movements in this reserve are set out in statements of changes in equity.

The assigned fair value of the warrants is capitalised as warrants reserve. The value of warrants, when exercised by the holder, is capitalised as share capital. At the expiry of the warrants, if the warrants are not exercised, the balance of the warrant reserved account in respect of the warrants not exercised will become a distributable reserve.

19. Foreign currency translation account

The foreign currency translation account comprises all foreign exchange differences arising from the translation of the financial statements of the entities from non-Singapore dollar to the presentation currency Singapore dollar and is non-distributable. Movement in this account is set out in statements of changes in equity.

20. Revenue

	Group	
	2011	2010
	$	$
Sales of goods	504,882	565,207
Services rendered	3,837,675	5,967,392
Revenue from construction contracts	42,594,698	35,788,447
	46,937,255	42,321,046

21. Other income

	Group	
	2011	2010
	$	$
Accommodation income	-	69,039
Allowance for impairment losses of trade receivables written back	-	254,204
Foreign exchange gain, net	-	2,664
Gain on disposal of plant and equipment	167,549	36,583
Rental income	185,172	192,858
Sales of scrap	-	110,842
Compensation claim	16,997	9,468
Government grant - Job credit scheme	36,256	337,496
Sundry income	77,759	122,651
	483,733	1,135,805

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

22. Finance costs

	Group	
	2011	2010
	$	$
Bank charges	196,756	6,851
Bank overdraft interest	5,099	3,258
Finance lease interest	124,515	173,564
Bank term loan interest	147,431	10,465
	473,801	194,138

23. Profit before income tax

The above is arrived at after charging:

	Group	
	2011	2010
	$	$
Cost of sales		
Depreciation of plant and equipment	2,132,181	1,814,753
Distribution expenses		
Depreciation of plant and equipment	121,669	89,701
Administrative expenses		
Depreciation of property, plant and equipment	436,267	305,369
Operating leases expenses	-	540,897
Other operating expenses		
Amortisation of intangible assets	135,455	107,743
Amortisation of land use right	47,238	-
Bad trade receivables written off	-	10,564
Depreciation of property, plant and equipment	281,841	310,704
Foreign exchange loss, net	33,212	-
Non-audit fees paid to auditors of the Company	20,072	25,200
Property, plant and equipment written off	2,480	39,603
Operating leases expenses	404,223	345,763

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

23. Profit before income tax (Continued)

The profit before income tax also includes:

	Group	
	2011	2010
	$	$
Employee benefits expenses		
- salaries, bonuses and other benefits	16,736,014	13,759,302
- contributions to the defined contribution plan	1,852,444	1,376,518
	18,588,458	15,135,820

The employee benefits expenses are recognised in the following line items of profit or loss:

	Group	
	2011	2010
	$	$
Cost of sales	13,731,629	10,378,740
Administrative expenses	3,121,208	3,252,365
Other operating expenses	1,735,621	1,504,715
	18,588,458	15,135,820

The above includes the amounts shown as Directors' remuneration in Note 29 to the financial statements.

24. Income tax expense

	Group	
	2011	2010
	$	$
Current income tax		
- current financial year	1,340,626	1,174,340
- over provision in prior financial years	(428,049)	(102,655)
	912,577	1,071,685
Deferred tax		
- current financial year	89,609	262,003
- under provision in prior financial years	112,639	10,322
	202,248	272,325
Total income tax expense recognised in profit or loss	1,114,825	1,344,010

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

24. Income tax expense (Continued)

Reconciliation of effective income tax rate

	Group	
	2011	2010
	$	$
Profit before income tax	9,481,282	7,736,568
Share of results of associate	-	76,680
	9,481,282	7,813,248
Income tax calculated at statutory tax rate of 17%	1,611,818	1,328,252
Effect of different tax rates in other countries	(35,697)	(5,703)
Tax effect of expenses not deductible for income tax purposes	267,839	230,770
Tax effect of income tax exemption	(97,047)	(82,158)
Tax effect of income not subject for tax purposes	(577,371)	(166,648)
Deferred tax assets not recognised in profit or loss	254,613	-
Group relief	-	129,023
Others	6,080	2,807
Over provision of current income tax in prior financial years	(428,049)	(102,655)
Under provision of deferred tax in prior financial years	112,639	10,322
	1,114,825	1,344,010

Unrecognised deferred tax assets

	Group	
	2011	2010
	$	$
Unabsorbed capital allowance	10,651	13,779
Unutilised tax losses	257,741	-
	268,392	13,779

As at 31 March 2011, the Group has unabsorbed capital allowance of approximately $62,000 (2010: $81,000) and unutilised tax losses of approximately $1,516,000 (2010: $Nil) which are available for set-off against future taxable profits subject to the agreement by the relevant tax authority and provisions of the tax legislations of the respective countries in which the Group operates.

Deferred tax assets relating to certain subsidiaries have not been recognised as there is no certainty that there will be sufficient future taxable profits to realise these future benefits. Accordingly, the deferred tax assets have not been recognised in the financial statements in accordance with the accounting policy in Note 2.21 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

25. Earnings per share

Basic earnings per share is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2011	**2010**
Profit for the financial year attributable to owners of the parent ($)	8,366,457	6,400,373
Weighted average number of ordinary shares in issue during the financial year applicable to basic earnings per share	243,156,543	215,582,464
Basic earnings per share (in cents)	3.44	2.97

For the purpose of calculating diluted earnings per share, the Group's net profit attributable to owners of the parent and the weighted average number of ordinary shares in issue are adjusted for the effects of all dilutive potential ordinary shares.

Diluted earnings per share amounts are calculated by dividing the profit attributable to owners of the parent of the parent 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 dilutive potential ordinary shares into ordinary shares.

For the convertible preference shares and warrants, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding convertible preference shares and warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the fully conversion to consideration conversion shares and exercise of the warrants. The differences are added to the denominator as an issuance of ordinary shares for no consideration. No adjustment is made to earnings (numerator).

	Group	
	2011	**2010**
The calculation of the diluted earnings per share is based on:		
Profit for the financial year attributable to owners of the parent ($)	8,366,457	6,400,373
Weighted average number of ordinary shares in issue during the financial year applicable to basic earnings per share	243,156,543	215,582,464
Effect of dilution		
- Convertible preference shares (including contingent consideration)	46,329,430	-
- Warrants	54,613,755	-
Weighted average number of ordinary shares adjusted for effect of dilution	344,099,728	215,582,464
Diluted earnings per share (in cents)	2.43	2.97

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

26. Dividends

	Group and Company	
	2011	2010
	$	$
Final tax-exempt dividends paid of $0.005 per share in respect of financial year ended 31 March 2010	1,183,074	-
Final tax-exempt dividends paid of $0.005 per share in respect of financial year ended 31 March 2009	-	1,007,915
	1,183,074	1,007,915

The Directors of Company recommend a final tax-exempt dividend of $Nil (2010: $0.005) per share amounting to $Nil (2010: $1,183,074) be paid in respect of current financial year. This final dividend has not been recognised as a liability as at the end of the reporting period as it is subject to approval by shareholders at the Annual General Meeting of the Company.

27. Operating lease commitments

Group as lessee

As at the end of the reporting period, there were operating leases for rental payable for premises in subsequent accounting periods as follows:

	Group	
	2011	2010
	$	$
Future minimum lease payments		
- Not later than one financial year	855,242	801,569
- After one financial year but not later than five financial years	2,162,322	2,278,075
- Later than five financial years	685,545	1,191,543
	3,703,109	4,271,187

The above operating lease commitments are based on existing rental rates. The operating lease agreements provide for periodic revision of such rates in the future.

Group as lessor

As at the end of the reporting period, future minimum rentals receivable for premises under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2011	2010
	$	$
Future minimum lease receivables		
- Not later than one financial year	166,681	76,613
- After one financial year but not later than five financial years	26,975	1,040
	193,656	77,653

All leases include a clause to enable upward revision of the rental charge of an annual basis based on prevailing market conditions.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

28. Capital commitments

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

	2011	2010
	$	$
Purchase of plant and equipment contracted but not provided for	408,060	206,831

29. Significant related party transactions

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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

	Group		Company	
	2011	2010	2011	2010
	$	$	$	$
With ultimate holding company				
Rental charged by ultimate holding company	221,400	171,600	-	-
Utilities charged by ultimate holding company	88,249	70,486	-	-
Leasing of copier charged by ultimate holding company	193	2,118	-	-
Printing and stationery charged by ultimate holding company	1,085	1,624	-	-
Parking fee charged by ultimate holding company	840	560	-	-
Receipts collected on behalf by ultimate holding company	-	8,132	-	-
Staff secondment charged to ultimate holding company	21,654	21,654	-	-
Accounting fee charged to ultimate holding company	9,600	5,400	-	-
Settlement of liabilities on behalf by ultimate holding company	-	568	-	-
Rental deposit charged by ultimate holding company	12,000	-	-	-

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

29. Significant related party transactions (Continued)

	Group		Company	
	2011	2010	2011	2010
	$	$	$	$
With subsidiaries				
Loan from subsidiaries	-	-	6,800,000	-
Loan to a subsidiary	-	-	1,200,000	661,038
Management fee income	-	-	1,247,312	1,130,888
Dividend income	-	-	1,000,000	2,530,000
Loan interest charged by subsidiaries	-	-	98,389	-
Recharge of expenses by subsidiaries	-	-	23,220	-
Recharge of expenses to subsidiaries	-	-	46,122	-
Settlement of liabilities on behalf by subsidiaries	-	-	915,072	745,165
Settlement of liabilities on behalf of subsidiaries	-	-	27,053	-
With related parties				
Purchase of motor vehicle	15,000	-	-	-
Sub-contract charges	-	121,857	-	-
Rental of vehicle expenses	6,350	15,240	-	-
Recharge of expenses to related parties	3,677	-	-	-

Compensation of key management personnel

The remuneration of key management personnel of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2011	2010	2011	2010
	$	$	$	$
Directors' fees	180,000	145,750	180,000	145,750
Short-term benefits	2,585,324	1,899,413	1,370,985	1,099,042
Post-employment benefits	101,484	88,746	24,039	23,913
	2,866,808	2,133,909	1,575,024	1,268,705

The above includes the following remuneration to the Directors of the Company and directors of a subsidiary:

	Group		Company	
	2011	2010	2011	2010
	$	$	$	$
Directors of the Company				
Directors' fees	180,000	145,750	180,000	145,750
Short-term benefits	1,968,011	1,139,842	1,370,985	1,099,042
Post-employment benefits	46,396	23,508	24,039	23,913
	2,194,407	1,309,100	1,575,024	1,268,705
Directors of a subsidiary				
Short-term benefits	555,668	344,000	-	-
Post-employment benefits	22,357	14,816	-	-
	578,025	358,816	-	-
	2,772,432	1,667,916	1,575,024	1,268,705

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

30. Segment reporting

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Management monitors the operating results of the segments separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operation profit or loss which is similar to the accounting profit or loss.

Income taxes are managed by the management of respective entities within the Group.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for intersegment sales and transfer if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on consolidation.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets, liabilities and expenses.

Segment assets consist primarily of property, plant and equipment, inventories, receivables and cash and cash equivalents. Segment liabilities comprise operating liabilities and exclude tax liabilities.

Segment capital expenditure is the total cost incurred during the financial year to acquire segment assets that are expected to be used for more than one financial year.

The Group is primarily engaged in four business segments, namely:

a) Specialist Engineering Services which comprise specialist geotechnical services, geotechnical instruments, design, consultancy and project management services and M2M products and services.

b) Ground and Structural Engineering Services which comprise micropiling, soil nail, retaining wall system, as well as design and build structural works including post tension, inspection, demolition and repair.

c) Water treatment which comprises water treatment consultancy, manufacture of water treatment membranes and water quality monitoring.

d) Resources which comprises quarrying, extraction and production of dimension stones and other marble-related products.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

30. Segment reporting (Continued)

2011	Specialist engineering services	Ground and structural engineering services	Water treatment	Resources	Unallocated	Elimination	Consolidated
	$	$	$	$	$	$	$
Revenue							
External revenue	34,836,236	10,966,359	1,134,660	-	-	-	46,937,255
Inter-segment revenue	2,985,846	177,935	24,967	-	-	(3,188,748)	-
	37,822,082	11,144,294	1,159,627	-	-	(3,188,748)	46,937,255
Results							
Segment results	8,315,902	705,660	(320,475)	-	707,823	546,173	9,955,083
Finance costs	(193,656)	(73,073)	(113,493)	-	(191,968)	98,389	(473,801)
Profit before income tax	8,122,246	632,587	(433,968)	-	515,855	644,562	9,481,282
Income tax expense							(1,114,825)
Profit for the financial year							8,366,457
Capital expenditure							
Property, plant and equipment	2,953,962	809,194	2,394,802	-	-	-	6,157,958
Land use right	-	-	2,120,800	-	-	-	2,120,800
Intangible assets	10,500	45,000	667,894	-	-	-	723,394
Mining rights	-	-	-	16,215,300	-	-	16,215,300
Significant non-cash items							
Depreciation and amortisation expenses	1,433,387	1,537,767	124,102	-	12,157	-	3,107,413
Assets and liabilities							
Assets	38,174,781	13,734,130	22,187,879	17,144,520	11,079,059	(14,079,058)	88,241,311
Liabilities	14,678,608	5,373,569	2,546,609	1,120,961	16,023,281	(16,913,687)	22,829,341
Unallocated liabilities							
- Current income tax payable							1,489,931
- Deferred tax liabilities							1,237,261
							25,556,533

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

30. Segment reporting (Continued)

2010	Specialist engineering services $	Ground and structural engineering services $	Unallocated $	Elimination $	Consolidated $
Revenue					
External revenue	29,194,350	13,096,696	30,000	-	42,321,046
Inter-segment revenue	779,582	152,050	5,863,088	(6,794,720)	-
	29,973,932	13,248,746	5,893,088	(6,794,720)	42,321,046
Results					
Segment results	7,396,212	1,299,441	3,860,847	(4,549,114)	8,007,386
Finance costs	(46,388)	(137,819)	(9,931)	-	(194,138)
Share of results of associates	(76,680)	-	-	-	(76,680)
Profit before income tax	7,273,144	1,161,622	3,850,916	(4,549,114)	7,736,568
Income tax expense					(1,344,010)
Profit for the financial year					6,392,558
Capital expenditure					
Plant and equipment	1,501,300	1,350,311	620,000	-	3,471,611
Significant non-cash items					
Depreciation expenses	1,041,336	1,467,034	12,157	-	2,520,527
Assets and liabilities					
Assets	36,648,125	13,361,907	7,704,607	(5,696,026)	52,018,613
Liabilities	9,981,889	5,643,899	1,117,852	(6,534,255)	10,209,385
Unallocated liabilities					
- Current income tax payable					1,213,063
- Deferred tax liabilities					1,035,013
					12,457,461

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

31. Financial instruments, financial risks and capital management

The Group's and the Company's activities expose them to financial risks (including credit risk, foreign currency risk, interest rate risk and liquidity risk) arising from the normal course of business. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The management is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The management continually monitors the Group's and the Company's financial risk management process to ensure that an appropriate balance between risk and control is achieved.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk. The Group and the Company do not hold or issue derivative financial instruments for trading purposes.

31.1 Credit risk

The Group and the Company have a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Group and the Company do not require collateral in respect of financial assets. Cash and cash equivalents are placed with banks and financial institutions which are regulated.

The Group has significant concentration of credit risk. The top 5 customers accounted for approximately 71% (2010: 44%) of the total trade receivables amount as at 31 March 2011. The Company has no significant concentration of credit risk except for amounts due from subsidiaries in the Company's statement of financial position.

As at the end of the reporting period, the Group's and the Company's maximum exposure to credit risk are represented by the carrying amounts of the financial assets on the statements of financial position.

The Group's and Company's major classes of financial assets are cash and cash equivalents, and trade and other receivables.

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group and the Company. The Group's and the Company's historical experience in the collection of receivables falls within the credit terms.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

31. Financial instruments, financial risks and capital management (Continued)

31.1 Credit risk (Continued)

The age analysis of trade receivables is as follows:

	Gross receivables 2011 $	Impairment 2011 $	Gross receivables 2010 $	Impairment 2010 $
Group				
Not past due	2,042,718	-	1,687,418	-
Past due 0 to 1 months	286,699	-	68,861	-
Past due 1 to 2 months	38,296	-	311,405	-
Past due 2 to 3 months	6,672	-	83,175	-
Past due over 3 months	239,617	-	297,413	(31,712)
	2,614,002	-	2,448,272	(31,712)
Company				
Not past due	112,150	-	102,986	-
Past due 0 to 1 months	109,424	-	102,986	-
Past due 1 to 2 months	79,291	-	102,986	-
Past due 2 to 3 months	79,291	-	82,559	-
Past due over 3 months	531,515	-	191,883	-
	911,671	-	583,400	-

The impaired trade receivables arose mainly from sales to customers who have difficulty in settling the amount due.

31.2 Market risk

(i) Foreign currency risk

The Group and the Company incur foreign currency risk on transactions and balances that are denominated in currencies other than the entity's functional currency. The currencies giving rise to this risk are primarily United States dollar, Ringgit Malaysia, Chinese renminbi and British pound sterling. 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 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.

The Company does not have significant exposure to market risk for changes in foreign currency.

The Group transacts business mainly in Singapore dollar, Ringgit Malaysia, United States dollar, Chinese renminbi and British pound sterling.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

31. Financial instruments, financial risks and capital management (Continued)

31.2 Market risk (Continued)

(i) Foreign currency risk (Continued)

The following table details the Group's sensitivity to a 5% change in Singapore dollar against the Ringgit Malaysia, United States dollar, Chinese renminbi and British pound sterling. The sensitivity analysis assumes an instantaneous 5% change in the foreign currency exchange rates from the end of the reporting period, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in Ringgit Malaysia, United States dollar, Chinese renminbi and British pound sterling are included in the analysis.

	Increase/(Decrease) Profit or Loss		Increase/(Decrease) Equity	
	2011	2010	2011	2010
	$	$	$	$
Group				
Ringgit Malaysia				
Strengthened against Singapore dollar	(10,800)	-	-	16,640
Weakened against Singapore dollar	10,800	-	-	(16,640)
United States dollar				
Strengthened against Singapore dollar	-	(15,419)	53,552	428,318
Weakened against Singapore dollar	-	15,419	(53,552)	(428,318)
Chinese renminbi				
Strengthened against Singapore dollar	-	-	511,226	55,875
Weakened against Singapore dollar	-	-	(511,226)	(55,875)
British pound sterling				
Strengthened against Singapore dollar	(349)	(1,976)	-	-
Weakened against Singapore dollar	349	1,976	-	-

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

Foreign exchange risk has negligible impact on profit or loss of the Company as the Company has insignificant foreign currency denominated receivables and payables as at the end of the reporting period.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

31. Financial instruments, financial risks and capital management (Continued)

31.2 Market risk (Continued)

(ii) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to fixed deposits, bank borrowings and finance lease obligations with financial institutions. The Group maintains an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short term borrowings.

The Company has no exposure to market risk for changes in interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risks for financial liabilities as at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 5% (2010: 5%) change in the interest rates from the end of the reporting period, with all variables held constant.

If the interest rate increases/decreases by 5% (2010: 5%), the profit before income tax of the Group will increase/(decrease) by:

	Group	
	2011	**2010**
	$	**$**
Bank borrowings	23,941	721

31.3 Liquidity risk

Liquidity risks refer to the risks in which the Group and the Company encounter difficulties in meeting short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

31. Financial instruments, financial risks and capital management (Continued)

31.3 Liquidity risk (Continued)

The following table details the Group's and Company's remaining contractual maturity for its non-derivative 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.

Group	Within one financial year $	After one financial year but within five financial years $	More than five financial years $	Total $
2011				
Financial assets				
Non-interest bearing	31,654,724	-	-	31,654,724
Fixed interest bearing	21,195,627	-	-	21,195,627
	52,850,351	-	-	52,850,351
Financial liabilities				
Non-interest bearing	10,369,531	-	-	10,369,531
Fixed interest bearing	6,751,250	5,209,675	398,697	12,359,622
	17,120,781	5,209,675	398,697	22,729,153
2010				
Financial assets				
Non-interest bearing	22,346,882	-	-	22,346,882
Fixed interest bearing	17,028,924	-	-	17,028,924
	39,375,806	-	-	39,375,806
Financial liabilities				
Non-interest bearing	6,975,934	-	-	6,975,934
Fixed interest bearing	905,496	1,366,438	411,862	2,683,796
	7,881,430	1,366,438	411,862	9,659,730

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

31. Financial instruments, financial risks and capital management (Continued)

31.3 Liquidity risk (Continued)

Company	Within one financial year $	After one financial year but within five financial years $	More than five financial years $	Total $
2011				
Financial assets				
Non-interest bearing	4,250,267	-	-	4,250,267
Fixed interest bearing	6,701,679	-	-	6,701,679
	10,951,946	-	-	10,951,946
Financial liabilities				
Non-interest bearing	7,095,820	-	-	7,095,820
Fixed interest bearing	2,399,134	3,506,179	381,093	6,286,406
	9,494,954	3,506,179	381,093	13,382,226
2010				
Financial assets				
Non-interest bearing	5,228,735	-	-	5,228,735
Fixed interest bearing	1,675,283	-	-	1,675,283
	6,904,018	-	-	6,904,018
Financial liabilities				
Non-interest bearing	457,139	-	-	457,139
Fixed interest bearing	36,035	174,357	411,863	622,255
	493,174	174,357	411,863	1,079,394

31.4 Capital management policies and objectives

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholders' values.

The management monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

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 its operating cash flows. The Group's overall strategy remains unchanged from 2010.

The gearing ratio is not disclosed as it is not meaningful as the Group's and the Company's cash and cash equivalents are higher than all the liabilities.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2011 and 2010.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2011

31. Financial instruments, financial risks and capital management (Continued)

31.5 Fair value of financial assets and financial liabilities

The carrying amounts of the Group's and the Company's cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relative short term maturity of these financial instruments. The fair values of non-current liabilities in relation to finance lease payables and bank borrowings are disclosed in Notes 14 and 15 to the financial statements.

The fair values of financial assets and liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The management considers that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

The Group and the Company classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

32. Contingent liabilities

Company

As at the end of the reporting period, there were contingent liabilities in respect of corporate guarantee given by the Company for finance lease payables and credit facilities granted to subsidiaries amounted to $2,844,419 (2010: $2,061,542) and $5,150,000 (2010: $5,010,626) respectively.

As at the end of the reporting period, the Directors are of the opinion that no losses are expected to arise from the above guarantees.

Statistics of Ordinary Shareholdings

As at 16 June 2011

SHARE CAPITAL

Issued and Fully Paid-up Ordinary Share Capital	:	S$31,602,469.26
Class of Ordinary Shares	:	Ordinary Shares
Number of Ordinary Shares	:	249,335,021
Voting Rights	:	1 voter per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF ORDINARY SHAREHOLDINGS	NO. OF ORDINARY SHAREHOLDERS	%	NO. OF ORDINARY SHARES	%
1 - 999	305	37.10	4,592	0.00
1,000 - 10,000	257	31.27	961,064	0.39
10,001 - 1,000,000	240	29.20	27,238,058	10.92
1,000,001 AND ABOVE	20	2.43	221,131,307	88.69
TOTAL	**822**	**100.00**	**249,335,021**	**100.00**

TWENTY LARGEST SHAREHOLDERS HOLDING ORDINARY SHARES

NO.	NAME	NO. OF SHARES HELD	%
1	TRITECH INTERNATIONAL HOLDINGS PTE LTD	160,006,000	64.17
2	OCBC SECURITIES PRIVATE LTD	14,230,108	5.71
3	TAN GUAN HONG	4,913,063	1.97
4	HONG LEONG FINANCE NOMINEES PTE LTD	4,851,000	1.95
5	PHILLIP SECURITIES PTE LTD	3,099,092	1.24
6	CITIBANK NOMINEES SINGAPORE PTE LTD	3,097,000	1.24
7	KIM ENG SECURITIES PTE. LTD.	3,053,008	1.22
8	LEONG CHOON ONN	3,000,000	1.20
9	ADELYN KHOO SU LYN	2,976,000	1.19
10	SIA LING SING	2,845,000	1.14
11	CHUA ENG PU	2,427,000	0.97
12	MAYBAN NOMINEES (S) PTE LTD	2,391,000	0.96
13	LIM KEN CHAI	2,180,000	0.87
14	UOB KAY HIAN PTE LTD	2,127,036	0.85
15	SEAH KEE KHOO	2,000,000	0.80
16	YONG KAH TECK	2,000,000	0.80
17	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,735,000	0.70
18	TAN LEE WAH	1,600,000	0.64
19	CHONG WENG HOE	1,500,000	0.60
20	TAN LEE CHING (CHEN LIZHEN)	1,101,000	0.44
	TOTAL	**221,131,307**	**88.66**

Statistics of Ordinary Shareholdings

As at 16 June 2011

SUBSTANTIAL SHAREHOLDERS

NO.	NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST	%	DEEMED INTEREST	%
1	Tritech International Holdings Pte Ltd (1)	160,006,000	64.17	1,500	0.0006
2	Wang Xiaoning (2)	-	-	160,007,500	64.17

Notes:

(1) Tritech International Holdings Pte Ltd's deemed interest as reflected in the table above is held by virtue of the 1,500 Warrants held by it. Tritech International Holdings Pte Ltd also has a direct interest in 32,314,777 Convertible Preference Shares which were issued and allotted to it on 30 March 2011.

(2) Dr Wang Xiaoning is deemed interested in the 160,006,000 Shares, 1,500 Warrants and 32,314,777 Convertible Preference Shares held by Tritech International Holdings Pte Ltd by virtue of his 30.2% shareholding interest in Tritech International Holdings Pte Ltd. Dr Wang Xiaoning also has a deemed interest in 11,500,000 shares by virtue of 11,500,000 warrants held by him.

Based on the information available to the Company as at 16 June 2011, approximately 35.39% of the ordinary issued shares of the Company are held by the public. Accordingly, Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading has been complied with.

Statistics of Preference Shareholdings

As at 16 June 2011

SHARE CAPITAL

Issued and Fully Paid-up Preference Share Capital	:	S$31,602,469.26
Class of Shares	:	Non-Redeemable Convertible Preference Shares ("Preference Shares")
No. of Preference Shares Issued	:	34,747,072
No. of Preference Shareholders	:	2
Voting Rights	:	The holders of the Preference Shares shall be entitled to attend any general meeting and every holder of Preference Shares who is present in person at such general meetings shall have on a poll one vote for every Preference Share of which he is the holder in respect of the following: (i) any alteration, variation or modification of the rights, preferences and privileges attaching to the Preference Shares; (ii) any resolution for the winding up of the Company; and (iii) the creation of any new securities (including securities convertible into shares in the Company) which carry rights, preferences or privileges over or in parity with the rights, preferences or privileges of the Preference Shares. Save as provided above, the holders of Preference Shares shall not be entitled to vote at general meetings of the Company.

DISTRIBUTION OF PREFERENCE SHAREHOLDINGS

SIZE OF PREFERENCE SHAREHOLDINGS	NO. OF PREFERENCE SHAREHOLDERS	%	NO. OF PREFERENCE SHARES	%
1 - 999	0	0	0	0
1,000 - 10,000	0	0	0	0
10,001 - 1,000,000	0	0	0	0
1,000,001 AND ABOVE	2	100	34,747,072	100
TOTAL	**2**	**100**	**34,747,072**	**100**

PREFERENCE SHAREHOLDERS LIST

NO.	NAME	NO. OF PREFERENCE SHARES HELD	%
1	TRITECH INTERNATIONAL HOLDINGS PTE LTD	32,314,777	93.00
2	CHUA ENG PU	2,432,295	7.00
	TOTAL	**34,747,072**	**100.00**

Statistics of Warrantholdings

As at 16 June 2011

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 - 999	7	3.20	2,550	0.00
1,000 - 10,000	101	46.12	301,250	0.55
10,001 - 1,000,000	101	46.12	12,210,500	22.36
1,000,001 AND ABOVE	10	4.56	42,099,455	77.09
TOTAL	**219**	**100.00**	**54,613,755**	**100.00**

TWENTY LARGEST WARRANTHOLDERS

NO.	NAME	NO. OF WARRANTS	%
1	PHILLIP SECURITIES PTE LTD	12,491,700	22.87
2	LEE SUI HEE	10,000,000	18.31
3	MAYBAN NOMINEES (S) PTE LTD	9,600,255	17.58
4	DBSN SERVICES PTE LTD	1,853,000	3.39
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,748,000	3.20
6	UOB KAY HIAN PTE LTD	1,572,500	2.88
7	LEONG CHOON ONN	1,500,000	2.75
8	KIM ENG SECURITIES PTE. LTD.	1,232,000	2.26
9	TAN GUAN HONG	1,052,000	1.93
10	SEAH KEE KHOO	1,050,000	1.92
11	RAFFLES NOMINEES (PTE) LTD	945,000	1.73
12	SIA LING SING	850,000	1.56
13	CHENG WA SING	549,000	1.01
14	LIM BOON WEE	541,000	0.99
15	YONG KAH TECK	500,000	0.92
16	OCBC SECURITIES PRIVATE LTD	488,500	0.89
17	DBS VICKERS SECURITIES (S) PTE LTD	445,000	0.81
18	TAN YUNG TJIEN	400,000	0.73
19	MAO CHANGJIANG	367,000	0.67
20	CHEE PEK KHAN	356,000	0.65
	TOTAL	**47,540,955**	**87.05**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 3rd Annual General Meeting of the Company will be held at 31 Changi South Avenue 2 Singapore 486478 on Thursday, 28 July 2011 at 9.00 a.m. to transact the following business:

As Ordinary Business

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the financial year ended 31 March 2011 together with the Auditors' Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of S$180,000 for the financial year ended 31 March 2011. **Resolution 2**

3. To re-elect Dr Loh Chang Kaan retiring pursuant to Article 99 of the Articles of Association of the Company. (See Explanatory Notes) **Resolution 3**

4. To re-elect Mr Lim Yeok Hua retiring pursuant to Article 99 of the Articles of Association of the Company. (See Explanatory Notes) **Resolution 4**

5. To re-appoint BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

As Special Business

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

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

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

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

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

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

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

provided always that:

Notice of Annual General Meeting

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

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

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

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

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

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

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

7. **Authority to Issue Shares under the Tritech Group Employee Share Option Scheme** **Resolution 7**

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

Notice of Annual General Meeting

8. **Authority to Issue Shares under the Tritech Group Performance Share Plan** **Resolution 8**

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

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

By Order of the Board

Lee Pih Peng
Company Secretary

Singapore, 13 July 2011

Notes:

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

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

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

4. The instrument appointing a proxy must be deposited at the registered office of the Company at 2 Kaki Bukit Place #07-00 Tritech Building Singapore 416180 not less than forty-eight (48) hours before the time for holding the forthcoming Annual General Meeting of the Company.

Explanatory Notes on Ordinary Business to be transacted:

Resolution 3

Dr Loh Chang Kaan will, upon re-appointment as a Director of the Company, remain as an Executive Director of the Company.

Notice of Annual General Meeting

Resolution 4

Mr Lim Yeok Hua will, upon re-appointment as a Director of the Company, remain as the Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee. Mr Lim Yeok Hua is considered to be independent for the purpose of Rule 704(7) of the Rules of Catalist.

Explanatory Note on Special Business to be transacted:

Resolution 6

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

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

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

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

Resolution 7

The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors of the Company, from the date of the forthcoming Annual General Meeting of the Company until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme (when added with Shares issued by the Company pursuant to the exercise of awards granted or to be granted under the Plan) up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time.

Resolution 8

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

TRITECH GROUP LIMITED

(Company Registration No. 200809330R)
(Incorporated In the Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy TRITECH GROUP LIMITED's shares, this Annual Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM
ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

I/We, _____

of _____

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

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

and/or (delete as appropriate)

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

as my/our* proxy/proxies to vote for me/us* on my/our* behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company ("**AGM**") to be held at 31 Changi South Avenue 2 Singapore 486478 on Thursday, 28 July 2011 at 9.00 a.m. I/We* direct my/our proxy/proxies* to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matters arising at the AGM.

No.	**Ordinary Resolutions relating to**	**To be used on a show of hands**		**To be used in the event of a poll**	
		For**	**Against****	**No. of Votes For*****	**No. of Votes Against*****
Resolution 1	Directors' Report, Audited Financial Statements and Auditors' Report for the financial year ended 31 March 2011				
Resolution 2	Directors' fees for the financial year ended 31 March 2011				
Resolution 3	Re-election of Dr Loh Chang Kaan as Director of the Company				
Resolution 4	Re-election of Mr Lim Yeok Hua as Director of the Company				
Resolution 5	Re-appointment of BDO LLP as Auditors of the Company				
Resolution 6	General authority to allot and issue Shares				
Resolution 7	Authority to Issue Shares under the Tritech Group Employee Share Option Scheme				
Resolution 8	Authority to Issue Shares under the Tritech Group Performance Share Plan				

Notes:

1. * Please delete accordingly.
2. ** Please indicate your vote "For" or "Against" with an "x" within the box provided.
3. *** If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided.

Alternatively, please indicate the number of votes as appropriate.

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

Dated this _____day of_____ 2011

_____

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

Notes:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this proxy form will be deemed to relate to entire number of ordinary Shares in the Company registered in your name(s).

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.

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

4. The instrument appointing a proxy or proxies, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof, shall be deposited at the Registered Office of the Company at 2 Kaki Bukit Place #07-00 Tritech Building Singapore 416180, not later than forty-eight (48) hours before the time appointed for holding the AGM.

5. The instrument appointing a proxy or proxies shall be in writing under the hand of the appointor or of his attorney duly authorised in writing; or if such appointor is a corporation under its common seal, if any, and; if none, then under the hand of some officer duly authorised in that behalf. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50.

General

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

Tritech Group Limited
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